

111TH CONGRESS
1ST SESSION

H. R. 3760

To amend the Internal Revenue Code of 1986 to provide a Federal income tax credit for certain home purchases.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 8, 2009

Mrs. BIGGERT (for herself, Mr. MCHENRY, Mr. PAUL, Mr. LANCE, Mr. THOMPSON of Pennsylvania, Mr. JONES, Mrs. BONO MACK, Mr. KING of New York, Mr. GARY G. MILLER of California, and Mr. DUNCAN) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Appropriations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to provide a Federal income tax credit for certain home purchases.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Home Buyer Tax
5 Credit Act of 2009”.

1 **SEC. 2. CREDIT FOR CERTAIN HOME PURCHASES.**

2 (a) ALLOWANCE OF CREDIT.—Subpart A of part IV
3 of subchapter A of chapter 1 of the Internal Revenue Code
4 of 1986 is amended by inserting after section 25D the fol-
5 lowing new section:

6 **“SEC. 25E. CREDIT FOR CERTAIN HOME PURCHASES.**

7 “(a) ALLOWANCE OF CREDIT.—

8 “(1) IN GENERAL.—In the case of an individual
9 who is a purchaser of a principal residence during
10 the taxable year, there shall be allowed as a credit
11 against the tax imposed by this chapter an amount
12 equal to 10 percent of the purchase price of the resi-
13 dence.

14 “(2) DOLLAR LIMITATION.—The amount of the
15 credit allowed under paragraph (1) shall not exceed
16 \$15,000.

17 “(3) ALLOCATION OF CREDIT AMOUNT.—At the
18 election of the taxpayer, the amount of the credit al-
19 lowed under paragraph (1) (after application of
20 paragraph (2)) may be equally divided among the 2
21 taxable years beginning with the taxable year in
22 which the purchase of the principal residence is
23 made.

24 “(b) LIMITATIONS.—

1 “(1) DATE OF PURCHASE.—The credit allowed
2 under subsection (a) shall be allowed only with re-
3 spect to purchases made—

4 “(A) after the date of the enactment of the
5 Home Buyer Tax Credit Act of 2009, and

6 “(B) on or before the date that is 1 year
7 after such date of enactment.

8 “(2) LIMITATION BASED ON AMOUNT OF
9 TAX.—In the case of a taxable year to which section
10 26(a)(2) does not apply, the credit allowed under
11 subsection (a) for any taxable year shall not exceed
12 the excess of—

13 “(A) the sum of the regular tax liability
14 (as defined in section 26(b)) plus the tax im-
15 posed by section 55, over

16 “(B) the sum of the credits allowable
17 under this subpart (other than this section) for
18 the taxable year.

19 “(3) ONE-TIME ONLY.—

20 “(A) IN GENERAL.—If a credit is allowed
21 under this section in the case of any individual
22 (and such individual’s spouse, if married) with
23 respect to the purchase of any principal resi-
24 dence, no credit shall be allowed under this sec-
25 tion in any taxable year with respect to the pur-

1 chase of any other principal residence by such
2 individual or a spouse of such individual.

3 “(B) JOINT PURCHASE.—In the case of a
4 purchase of a principal residence by 2 or more
5 unmarried individuals or by 2 married individ-
6 uals filing separately, no credit shall be allowed
7 under this section if a credit under this section
8 has been allowed to any of such individuals in
9 any taxable year with respect to the purchase of
10 any other principal residence.

11 “(c) PRINCIPAL RESIDENCE.—For purposes of this
12 section, the term ‘principal residence’ has the same mean-
13 ing as when used in section 121.

14 “(d) DENIAL OF DOUBLE BENEFIT.—No credit shall
15 be allowed under this section for any purchase for which
16 a credit is allowed under section 36 or section 1400C.

17 “(e) SPECIAL RULES.—

18 “(1) JOINT PURCHASE.—

19 “(A) MARRIED INDIVIDUALS FILING SEPA-
20 RATELY.—In the case of 2 married individuals
21 filing separately, subsection (a) shall be applied
22 to each such individual by substituting ‘\$7,500’
23 for ‘\$15,000’ in subsection (a)(1).

24 “(B) UNMARRIED INDIVIDUALS.—If 2 or
25 more individuals who are not married purchase

1 a principal residence, the amount of the credit
2 allowed under subsection (a) shall be allocated
3 among such individuals in such manner as the
4 Secretary may prescribe, except that the total
5 amount of the credits allowed to all such indi-
6 viduals shall not exceed \$15,000.

7 “(2) PURCHASE.—In defining the purchase of a
8 principal residence, rules similar to the rules of
9 paragraphs (2) and (3) of section 1400C(e) (as in
10 effect on the date of the enactment of this section)
11 shall apply.

12 “(3) REPORTING REQUIREMENT.—Rules similar
13 to the rules of section 1400C(f) (as so in effect)
14 shall apply.

15 “(f) RECAPTURE OF CREDIT IN THE CASE OF CER-
16 TAIN DISPOSITIONS.—

17 “(1) IN GENERAL.—In the event that a tax-
18 payer—

19 “(A) disposes of the principal residence
20 with respect to which a credit was allowed
21 under subsection (a), or

22 “(B) fails to occupy such residence as the
23 taxpayer’s principal residence,

24 at any time within 24 months after the date on
25 which the taxpayer purchased such residence, then

1 the tax imposed by this chapter for the taxable year
2 during which such disposition occurred or in which
3 the taxpayer failed to occupy the residence as a prin-
4 cipal residence shall be increased by the amount of
5 such credit.

6 “(2) EXCEPTIONS.—

7 “(A) DEATH OF TAXPAYER.—Paragraph
8 (1) shall not apply to any taxable year ending
9 after the date of the taxpayer’s death.

10 “(B) INVOLUNTARY CONVERSION.—Para-
11 graph (1) shall not apply in the case of a resi-
12 dence which is compulsorily or involuntarily
13 converted (within the meaning of section
14 1033(a)) if the taxpayer acquires a new prin-
15 cipal residence within the 2-year period begin-
16 ning on the date of the disposition or cessation
17 referred to in such paragraph. Paragraph (1)
18 shall apply to such new principal residence dur-
19 ing the remainder of the 24-month period de-
20 scribed in such paragraph as if such new prin-
21 cipal residence were the converted residence.

22 “(C) TRANSFERS BETWEEN SPOUSES OR
23 INCIDENT TO DIVORCE.—In the case of a trans-
24 fer of a residence to which section 1041(a) ap-
25 plies—

1 “(i) paragraph (1) shall not apply to
2 such transfer, and

3 “(ii) in the case of taxable years end-
4 ing after such transfer, paragraph (1) shall
5 apply to the transferee in the same manner
6 as if such transferee were the transferor
7 (and shall not apply to the transferor).

8 “(D) RELOCATION OF MEMBERS OF THE
9 ARMED FORCES.—Paragraph (1) shall not
10 apply in the case of a member of the Armed
11 Forces of the United States on active duty who
12 moves pursuant to a military order and incident
13 to a permanent change of station.

14 “(3) JOINT RETURNS.—In the case of a credit
15 allowed under subsection (a) with respect to a joint
16 return, half of such credit shall be treated as having
17 been allowed to each individual filing such return for
18 purposes of this subsection.

19 “(4) RETURN REQUIREMENT.—If the tax im-
20 posed by this chapter for the taxable year is in-
21 creased under this subsection, the taxpayer shall,
22 notwithstanding section 6012, be required to file a
23 return with respect to the taxes imposed under this
24 subtitle.

1 “(g) BASIS ADJUSTMENT.—For purposes of this sub-
2 title, if a credit is allowed under this section with respect
3 to the purchase of any residence, the basis of such resi-
4 dence shall be reduced by the amount of the credit so al-
5 lowed.

6 “(h) ELECTION TO TREAT PURCHASE IN PRIOR
7 YEAR.—In the case of a purchase of a principal residence
8 after December 31, 2009, and on or before the date de-
9 scribed in subsection (b)(1)(B), a taxpayer may elect to
10 treat such purchase as made on December 31, 2009, for
11 purposes of this section.”.

12 (b) CONFORMING AMENDMENTS.—

13 (1) Section 24(b)(3)(B) of the Internal Revenue
14 Code of 1986 is amended by striking “and 25B”
15 and inserting “, 25B, and 25E”.

16 (2) Section 25(e)(1)(C)(ii) of such Code is
17 amended by inserting “25E,” after “25D,”.

18 (3) Section 25B(g)(2) of such Code is amended
19 by striking “section 23” and inserting “sections 23
20 and 25E”.

21 (4) Section 904(i) of such Code is amended by
22 striking “and 25B” and inserting “25B, and 25E”.

23 (5) Section 1016(a) of such Code is amended
24 by striking “and” at the end of paragraph (36), by
25 striking the period at the end of paragraph (37) and

1 inserting “, and”, and by adding at the end the fol-
2 lowing new paragraph:

3 “(38) to the extent provided in section
4 25E(g).”.

5 (c) CLERICAL AMENDMENT.—The table of sections
6 for subpart A of part IV of subchapter A of chapter 1
7 of the Internal Revenue Code of 1986 is amended by in-
8 serting after the item relating to section 25D the following
9 new item:

“Sec. 25E. Credit for certain home purchases.”.

10 (d) SUNSET OF CURRENT FIRST-TIME HOMEBUYER
11 CREDIT.—

12 (1) IN GENERAL.—Subsection (h) of section 36
13 of the Internal Revenue Code of 1986 is amended by
14 striking “before December 1, 2009” and inserting
15 “on or before the date of the enactment of the Home
16 Buyer Tax Credit Act of 2009”.

17 (2) ELECTION TO TREAT PURCHASE IN PRIOR
18 YEAR.—Subsection (g) of section 36 of the Internal
19 Revenue Code of 1986 is amended by striking “be-
20 fore December 1, 2009” and inserting “on or before
21 the date of the enactment of the Home Buyer Tax
22 Credit Act of 2009”.

23 (e) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to purchases after the date of the
25 enactment of this Act.

1 **SEC. 3. RESCISSION OF ARRA APPROPRIATIONS.**

2 (a) IN GENERAL.—Effective on the date of the enact-
3 ment of this Act, of the discretionary appropriations made
4 available by division A of the American Recovery and Re-
5 investment Act of 2009 (Public Law 111–5), the applica-
6 ble percentage of unobligated balances are rescinded.

7 (b) APPLICABLE PERCENTAGE.—For purposes of
8 this section, the term “applicable percentage” means the
9 percentage that the Secretary of the Treasury estimates
10 will result in an increase in revenue to the Treasury equal
11 to the decrease in revenue by reason of the amendments
12 made by section 2 of this Act.

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