

117TH CONGRESS
1ST SESSION

H. R. 5078

To amend the Internal Revenue Code of 1986 to increase the amount that can be withdrawn without penalty from individual retirement plans as first-time homebuyer distributions.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 23, 2021

Mr. SEAN PATRICK MALONEY of New York introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to increase the amount that can be withdrawn without penalty from individual retirement plans as first-time homebuyer distributions.

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 “First Time Home-
5 owner Savings Plan Act”.

1 **SEC. 2. INCREASE IN LIMITATION ON PENALTY-FREE**
2 **FIRST-TIME HOMEBUYER DISTRIBUTIONS.**

3 (a) **IN GENERAL.**—Section 72(t)(8)(B)(i) of the In-
4 ternal Revenue Code of 1986 is amended by striking
5 “\$10,000” and inserting “\$25,000”.

6 (b) **INFLATION ADJUSTMENT.**—Section 72(t)(8) of
7 such Code is amended by adding at the end the following
8 new subparagraph:

9 “(F) **INFLATION ADJUSTMENT.**—In the
10 case of any taxable year beginning in a calendar
11 year after 2022, the \$25,000 amount in sub-
12 paragraph (B)(i) shall be increased by an
13 amount equal to—

14 “(i) such dollar amount, multiplied by

15 “(ii) the cost-of-living adjustment de-
16 termined under section 1(f)(3) for the cal-
17 endar year in which the taxable year be-
18 gins, by substituting ‘calendar year 2021’
19 for ‘calendar year 1992’.

20 Any increase determined under the preceding
21 sentence shall be rounded to the nearest mul-
22 tiple of \$100.”.

23 (c) **EFFECTIVE DATE.**—The amendments made by
24 this section shall apply to distributions made December
25 31, 2021, in taxable years ending after such date.