

106TH CONGRESS
2D SESSION

H. R. 4024

To amend the Internal Revenue Code of 1986 to adjust the exclusion amount on the gain from the sale of a principal residence for inflation.

IN THE HOUSE OF REPRESENTATIVES

MARCH 16, 2000

Mr. ROYCE 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 adjust the exclusion amount on the gain from the sale of a principal residence for inflation.

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. ADJUSTMENT OF EXCLUSION AMOUNT ON GAIN**
4 **FROM SALE OF PRINCIPAL RESIDENCE FOR**
5 **INFLATION.**

6 (a) IN GENERAL.—Section 121(b) of the Internal
7 Revenue Code of 1986 (relating to limitations on exclusion
8 of gain from sale of principal residence) is amended—

9 (1) in paragraph (1) by striking “\$250,000”
10 and inserting “the limitation amount”, and

1 (2) in paragraph (2) by amending so much of
 2 subparagraph (A) as precedes clause (i) to read as
 3 follows:

4 “(A) INCREASED LIMITATION AMOUNT FOR
 5 CERTAIN JOINT RETURNS.—Paragraph (1) shall
 6 be applied by substituting ‘twice the limitation
 7 amount’ for ‘limitation amount’ if—”.

8 (b) LIMITATION AMOUNT.—Subsection (b) of section
 9 121 of such Code (relating to limitations on exclusion of
 10 gain from sale of principal residence) is amended by add-
 11 ing at the end the following:

12 “(4) LIMITATION AMOUNT.—

13 “(A) IN GENERAL.—For purposes of this
 14 subsection, the limitation amount is \$250,000.

15 “(B) INFLATION ADJUSTMENT.—

16 “(i) IN GENERAL.—In the case of a
 17 taxable year beginning after December 31,
 18 1999, the \$250,000 amount in subpara-
 19 graph (A) shall be increased by an amount
 20 equal to—

21 “(I) such dollar amount, multi-
 22 plied by

23 “(II) the cost-of-living adjust-
 24 ment determined under section 1(f)(3)
 25 for the calendar year in which the tax-

1 able year begins, determined by sub-
2 stituting ‘calendar year 1998’ for ‘cal-
3 endar year 1992’ in subparagraph (B)
4 thereof.

5 “(B) ROUNDING.—If any amount as ad-
6 justed under clause (i) is not a multiple of \$100
7 such amount shall be rounded to the next low-
8 est multiple of \$100.”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 1999.

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