

106TH CONGRESS
1ST SESSION

H. R. 865

To amend the Internal Revenue Code of 1986 to provide a special rule for members of the uniformed services and the Foreign Service in determining the exclusion of gain from the sale of a principal residence.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 1999

Mr. HOUGHTON 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 provide a special rule for members of the uniformed services and the Foreign Service in determining the exclusion of gain from the sale of a principal residence.

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. SPECIAL RULE FOR MEMBERS OF UNIFORMED**
4 **SERVICES AND FOREIGN SERVICE IN DETER-**
5 **MINING EXCLUSION OF GAIN FROM SALE OF**
6 **PRINCIPAL RESIDENCE.**

7 (a) IN GENERAL.—Subsection (d) of section 121 of
8 the Internal Revenue Code of 1986 (relating to exclusion

1 of gain from sale of principal residence) is amended by
2 adding at the end the following new paragraph:

3 “(9) MEMBERS OF UNIFORMED SERVICES AND
4 FOREIGN SERVICE.—

5 “(A) IN GENERAL.—The running of the 5-
6 year period described in subsection (a) shall be
7 suspended with respect to an individual during
8 any time that such individual or such individ-
9 ual’s spouse is serving on qualified official ex-
10 tended duty as a member of the uniformed
11 services or of the Foreign Service.

12 “(B) QUALIFIED OFFICIAL EXTENDED
13 DUTY.—For purposes of this paragraph—

14 “(i) IN GENERAL.—The term ‘quali-
15 fied official extended duty’ means any pe-
16 riod of extended duty as a member of the
17 uniformed services or a member of the
18 Foreign Service during which the member
19 serves at a duty station which is at least
20 50 miles from such property or is under
21 Government orders to reside in Govern-
22 ment quarters.

23 “(ii) UNIFORMED SERVICES.—The
24 term ‘uniformed services’ has the meaning
25 given such term by section 101(a)(5) of

1 title 10, United States Code, as in effect
2 on the date of the enactment of this para-
3 graph.

4 “(iii) FOREIGN SERVICE OF THE
5 UNITED STATES.—The term ‘member of
6 the Foreign Service’ has the meaning given
7 the term ‘member of the Service’ by para-
8 graph (1), (2), (3), (4), or (5) of section
9 103 of the Foreign Service Act of 1980, as
10 in effect on the date of the enactment of
11 this paragraph.

12 “(iv) EXTENDED DUTY.—The term
13 ‘extended duty’ means any period of active
14 duty pursuant to a call or order to such
15 duty for a period in excess of 90 days or
16 for an indefinite period.”.

17 (b) EFFECTIVE DATE.—The amendment made by
18 this section shall apply to sales and exchanges after May
19 6, 1997.

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