

107TH CONGRESS  
1ST SESSION

# H. R. 165

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.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 2001

Mr. ROYCE introduced the following bill; which was referred to the Committee on Ways and Means

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## 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                   2001, 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 2000’ 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, 2000.

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