

107TH CONGRESS
2D SESSION

H. R. 5290

To amend the Internal Revenue Code of 1986 to provide a refundable credit for State and local real and personal property taxes paid by individuals.

IN THE HOUSE OF REPRESENTATIVES

JULY 26, 2002

Mr. MALONEY of Connecticut 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 refundable credit for State and local real and personal property taxes paid by individuals.

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 “Family Property Tax
5 Relief Act of 2002”.

6 **SEC. 2. REFUNDABLE CREDIT FOR STATE AND LOCAL REAL**
7 **AND PERSONAL PROPERTY TAXES.**

8 (a) GENERAL RULE.—Subpart C of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of
10 1986 (relating to refundable credits) is amended by redес-

1 ignating section 35 as section 36 and by inserting after
2 section 34 the following new section:

3 **“SEC. 35. CREDIT FOR STATE AND LOCAL REAL AND PER-**
4 **SONAL PROPERTY TAXES.**

5 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
6 dividual, at the election of the taxpayer there shall be al-
7 lowed as a credit against the tax imposed by this subtitle
8 for the taxable year an amount equal to 50 percent of the
9 qualified property taxes paid by the taxpayer for such
10 year.

11 “(b) LIMITATIONS.—

12 “(1) DOLLAR AMOUNT OF CREDIT.—The
13 amount allowed as a credit under subsection (a) for
14 a taxable year shall not exceed the lesser of—

15 “(A) \$5,000, or

16 “(B) the sum of—

17 “(i) the taxpayer’s regular tax liability (as de-
18 fined by section 26(b)) for the taxable year, and

19 “(ii) the social security taxes (as defined in sec-
20 tion 24(d)(2)) with respect to the taxpayer for the
21 taxable year.

22 “(2) CREDIT AMOUNT.—The amount allowed as
23 a credit under subsection (a) shall not exceed the
24 percentage of the amount determined under sub-
25 section (a) specified in the following table (deter-

1 mined after the application of paragraph (1) but
 2 without regard to this paragraph):

“Taxable years beginning in calendar year:	The percentage is:
2002 and 2003	20
2004 and 2005	40
2006 and 2007	60
2008 and 2009	80
2009 and thereafter	100.

3 “(c) QUALIFIED PROPERTY TAXES.—

4 “(1) IN GENERAL.—For purposes of this sec-
 5 tion, the term ‘qualified property taxes’ means—

6 “(A) State and local real property taxes at-
 7 tributable to the principal residence (within the
 8 meaning of section 121) of the taxpayer, and

9 “(B) State and local personal property
 10 taxes attributable to not more than 2 qualified
 11 vehicles of the taxpayer.

12 “(2) QUALIFIED VEHICLE.—For purposes of
 13 paragraph (1), the term ‘qualified vehicle’ means a
 14 vehicle which is not used in a trade or business and
 15 which is a passenger automobile (as defined in sec-
 16 tion 280F(d)(5)) or a light general purpose truck.

17 “(d) SPECIAL RULES.—

18 “(1) NO DEDUCTION FOR MARRIED INDIVID-
 19 UALS FILING SEPARATE RETURNS.—If the taxpayer
 20 is a married individual (within the meaning of sec-
 21 tion 7703), this section shall apply only if the tax-

1 payer and the taxpayer's spouse file a joint return
2 for the taxable year.

3 “(2) DENIAL OF CREDIT TO DEPENDENTS.—No
4 credit shall be allowed under this section to any indi-
5 vidual with respect to whom a deduction under sec-
6 tion 151 is allowable to another taxpayer for a tax-
7 able year beginning in the calendar year in which
8 such individual's taxable year begins.

9 “(3) DENIAL OF DOUBLE BENEFIT.—Any
10 amount taken into account in determining the credit
11 allowed under this section may not be taken into ac-
12 count in determining any credit or deduction under
13 any other provision of this chapter.”.

14 (b) TECHNICAL AMENDMENTS.—

15 (1) Paragraph (2) of section 1324(b) of title
16 31, United States Code, is amended by inserting “or
17 from section 35 of such Code” before the period at
18 the end.

19 (2) The table of sections for subpart C of part
20 IV of subchapter A of chapter 1 of the Internal Rev-
21 enue Code of 1986 is amended by striking the item
22 relating to section 35 and inserting the following:

“Sec. 35. Credit for state and local real and personal property
taxes.

“Sec. 36. Overpayments of tax.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2001.

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