

107TH CONGRESS  
2D SESSION

# S. 2200

To amend the Internal Revenue Code of 1986 to clarify that the parsonage allowance exclusion is limited to the fair rental value of the property.

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IN THE SENATE OF THE UNITED STATES

APRIL 18, 2002

Mr. BAUCUS (for himself and Mr. GRASSLEY) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to clarify that the parsonage allowance exclusion is limited to the fair rental value of the property.

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 “Clergy Housing Allow-  
5 ance Clarification Act of 2002”.

6 **SEC. 2. CLARIFICATION OF PARSONAGE ALLOWANCE EX-**  
7 **CLUSION.**

8 (a) IN GENERAL.—Section 107 of the Internal Rev-  
9 enue Code of 1986 is amended by inserting before the pe-  
10 riod at the end of paragraph (2) “and to the extent such

1 allowance does not exceed the fair rental value of the  
2 home, including furnishings and appurtenances such as a  
3 garage, plus the cost of utilities”.

4 (b) EFFECTIVE DATE.—

5 (1) IN GENERAL.—The amendment made by  
6 this section shall apply to taxable years beginning  
7 after December 31, 2001.

8 (2) RETURNS POSITIONS.—The amendment  
9 made by this section also shall apply to any taxable  
10 year beginning before January 1, 2002, for which  
11 the taxpayer—

12 (A) on a return filed before April 17,  
13 2002, limited the exclusion under section 107 of  
14 the Internal Revenue Code of 1986 as provided  
15 in such amendment, or

16 (B) filed a return after April 16, 2002.

17 (3) OTHER YEARS BEFORE 2002.—Except as  
18 provided in paragraph (2), notwithstanding any  
19 prior regulation, revenue ruling, or other guidance  
20 issued by the Internal Revenue Service, no person  
21 shall be subject to the limitations added to section  
22 107 of such Code by this Act for any taxable year  
23 beginning before January 1, 2002.

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