

110TH CONGRESS  
2D SESSION

# H. R. 5670

To amend the Internal Revenue Code of 1986 to provide a Federal income tax credit for certain home purchases.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 1, 2008

Mr. FOSSELLA (for himself and Mr. PASCRELL) 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 provide a Federal income tax credit for certain home purchases.

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. CREDIT FOR CERTAIN HOME PURCHASES.**

4 (a) ALLOWANCE OF CREDIT.—Subpart A of part IV  
5 of subchapter A of chapter 1 of the Internal Revenue Code  
6 of 1986 (relating to refundable credits) is amended by in-  
7 serting after section 25D the following new section:

8 **“SEC. 25E. CREDIT FOR CERTAIN HOME PURCHASES.**

9 “(a) ALLOWANCE OF CREDIT.—In the case of an in-  
10 dividual who purchases a principal residence in the United

1 States during the 12-month period beginning on the date  
2 of the enactment of this section, there shall be allowed  
3 to the taxpayer as a credit against the tax imposed by  
4 this chapter for the taxable year an amount equal to so  
5 much of the purchase price of the residence as does not  
6 exceed \$10,000.

7 “(b) LIMITATIONS.—

8 “(1) CONFORMING LOAN LIMITATION.—Sub-  
9 section (a) shall not apply with respect to any resi-  
10 dence the value of which exceeds the limitation for  
11 the area in which the residence is located on the  
12 maximum original principal obligation of a mortgage  
13 that may be purchased by the Federal Home Loan  
14 Mortgage Corporation, as in effect for 2008 pursu-  
15 ant to section 201(a)(2) of the Economic Stimulus  
16 Act of 2008.

17 “(2) LIMITATION BASED ON AMOUNT OF  
18 TAX.—In the case of a taxable year to which section  
19 26(a)(2) does not apply, the credit allowed under  
20 subsection (a) for any taxable year shall not exceed  
21 the excess of—

22 “(A) the sum of the regular tax liability  
23 (as defined in section 26(b)) plus the tax im-  
24 posed by section 55, over

1           “(B) the sum of the credits allowable  
2 under this subpart (other than this section) for  
3 the taxable year.

4           “(3) ONE-TIME ONLY.—

5           “(A) IN GENERAL.—If a credit is allowed  
6 under this section in the case of any individual  
7 (and such individual’s spouse, if married) with  
8 respect to the purchase of any principal resi-  
9 dence, no credit shall be allowed under this sec-  
10 tion in any taxable year with respect to the pur-  
11 chase of any other principal residence by such  
12 individual or a spouse of such individual.

13           “(B) JOINT PURCHASE.—In the case of a  
14 purchase of a principal residence by 2 or more  
15 unmarried individuals or by 2 married individ-  
16 uals filing separately, no credit shall be allowed  
17 under this section if a credit under this section  
18 has been allowed to any of such individuals in  
19 any taxable year with respect to the purchase of  
20 any other principal residence.

21           “(c) PRINCIPAL RESIDENCE.—The term ‘principal  
22 residence’ has the same meaning as when used in section  
23 121.

1       “(d) DENIAL OF DOUBLE BENEFIT.—No credit shall  
2 be allowed under this section for any purchase for which  
3 a credit is allowed under section 1400C.

4       “(e) SPECIAL RULES.—For purposes of this sec-  
5 tion—

6               “(1) JOINT PURCHASE BY UNMARRIED INDIVID-  
7 UALS.—If 2 or more individuals who are not married  
8 purchase a principal residence, the amount of the  
9 credit allowed under subsection (a) shall be allocated  
10 among such individuals in such manner as the Sec-  
11 retary may prescribe, except that the total amount  
12 of the credits allowed to all such individuals shall  
13 not exceed \$10,000.

14               “(2) PURCHASE.—In defining the purchase of a  
15 principal residence, rules similar to the rules of  
16 paragraphs (2) and (3) of section 1400C(e) (as in  
17 effect on the date of the enactment of this section)  
18 shall apply.

19               “(3) REPORTING REQUIREMENT.—Rules similar  
20 to the rules of section 1400C(f) (as so in effect)  
21 shall apply.

22       “(f) BASIS ADJUSTMENT.—For purposes of this sub-  
23 title, if a credit is allowed under this section with respect  
24 to the purchase of any residence, the basis of such resi-

1 dence shall be reduced by the amount of the credit so al-  
2 lowed.

3 “(g) APPLICATION.—This section shall not apply to  
4 any taxable year beginning after December 31, 2009.”.

5 (b) CLERICAL AMENDMENT.—The table of sections  
6 for subpart A of part IV of subchapter A of chapter 1  
7 of the Internal Revenue Code of 1986 is amended by in-  
8 serting after the item relating to section 25D the following  
9 new item:

“Sec. 25E. Credit for certain home purchases.”.

10 (c) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply with respect to residences pur-  
12 chased after the date of the enactment of this Act in tax-  
13 able years ending after such date.

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