

111TH CONGRESS
1ST SESSION

H. R. 3825

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

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 15, 2009

Mr. BRIGHT 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 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. SHORT TITLE.**

4 This Act may be cited as the “Helping Homebuyers
5 Act of 2009”.

6 **SEC. 2. CREDIT FOR CERTAIN HOME PURCHASES.**

7 (a) ALLOWANCE OF CREDIT.—Subpart A of part IV
8 of subchapter A of chapter 1 of the Internal Revenue Code
9 of 1986 is amended by inserting after section 25D the fol-
10 lowing new section:

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

2 “(a) ALLOWANCE OF CREDIT.—

3 “(1) IN GENERAL.—In the case of an individual
4 who purchases a principal residence during the tax-
5 able year, there shall be allowed as a credit against
6 the tax imposed by this chapter an amount equal to
7 15 percent of the purchase price of the residence.

8 “(2) ALLOCATION OF CREDIT AMOUNT.—At the
9 election of the taxpayer, the amount of the credit al-
10 lowed under paragraph (1) (after application of sub-
11 section (b)(1)) may be equally divided among the 2
12 taxable years beginning with the taxable year in
13 which the purchase of the principal residence is
14 made.

15 “(b) LIMITATIONS.—

16 “(1) DOLLAR LIMITATION.—The amount of the
17 credit allowed under paragraph (1) shall not exceed
18 \$18,000.

19 “(2) MARRIED INDIVIDUALS FILING SEPA-
20 RATELY.—In the case of 2 married individuals filing
21 separately, paragraph (1) shall be applied to each
22 such individual by substituting ‘\$7,500’ for ‘\$9,000’.

23 “(3) OTHER INDIVIDUALS.—If 2 or more indi-
24 viduals who are not married purchase a principal
25 residence, the amount of the credit allowed under
26 subsection (a) shall be allocated among such individ-

1 uals in such manner as the Secretary may prescribe,
2 except that the total amount of the credits allowed
3 to all such individuals shall not exceed \$18,000.

4 “(4) 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 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 “(5) LIMITATION BASED ON MODIFIED AD-
22 JUSTED GROSS INCOME.—

23 “(A) IN GENERAL.—The amount allowable
24 as a credit under subsection (a) (determined
25 without regard to this paragraph) for the tax-

1 able year shall be reduced (but not below zero)
2 by the amount which bears the same ratio to
3 the amount which is so allowable as—

4 “(i) the excess (if any) of—

5 “(I) the taxpayer’s modified ad-
6 justed gross income for such taxable
7 year, over

8 “(II) \$150,000 (\$300,000 in the
9 case of a joint return), bears to

10 “(ii) \$75,000.

11 “(B) MODIFIED ADJUSTED GROSS IN-
12 COME.—For purposes of subparagraph (A), the
13 term ‘modified adjusted gross income’ means
14 the adjusted gross income of the taxpayer for
15 the taxable year increased by any amount ex-
16 cluded from gross income under section 911,
17 931, or 933.

18 “(c) RECAPTURE OF CREDIT IN THE CASE OF CER-
19 TAIN DISPOSITIONS.—

20 “(1) IN GENERAL.—In the event that a tax-
21 payer—

22 “(A) disposes of the principal residence
23 with respect to which a credit was allowed
24 under subsection (a), or

1 “(B) fails to occupy such residence as the
2 taxpayer’s principal residence,
3 at any time within 60 months after the date on
4 which the taxpayer purchased such residence, then
5 the tax imposed by this chapter for the taxable year
6 during which such disposition occurred or in which
7 the taxpayer failed to occupy the residence as a prin-
8 cipal residence shall be increased by the amount of
9 such credit.

10 “(2) EXCEPTIONS.—

11 “(A) DEATH OF TAXPAYER.—Paragraph
12 (1) shall not apply to any taxable year ending
13 after the date of the taxpayer’s death.

14 “(B) INVOLUNTARY CONVERSION.—Para-
15 graph (1) shall not apply in the case of a resi-
16 dence which is compulsorily or involuntarily
17 converted (within the meaning of section
18 1033(a)) if the taxpayer acquires a new prin-
19 cipal residence within the 2-year period begin-
20 ning on the date of the disposition or cessation
21 referred to in such paragraph. Paragraph (1)
22 shall apply to such new principal residence dur-
23 ing the remainder of the 60-month period de-
24 scribed in such paragraph as if such new prin-
25 cipal residence were the converted residence.

1 “(C) TRANSFERS BETWEEN SPOUSES OR
2 INCIDENT TO DIVORCE.—In the case of a trans-
3 fer of a residence to which section 1041(a) ap-
4 plies—

5 “(i) paragraph (1) shall not apply to
6 such transfer, and

7 “(ii) in the case of taxable years end-
8 ing after such transfer, paragraph (1) shall
9 apply to the transferee in the same manner
10 as if such transferee were the transferor
11 (and shall not apply to the transferor).

12 “(D) RELOCATION OF MEMBERS OF THE
13 ARMED FORCES.—Paragraph (1) shall not
14 apply in the case of a member of the Armed
15 Forces of the United States on active duty who
16 moves pursuant to a military order and incident
17 to a permanent change of station.

18 “(3) JOINT RETURNS.—In the case of a credit
19 allowed under subsection (a) with respect to a joint
20 return, half of such credit shall be treated as having
21 been allowed to each individual filing such return for
22 purposes of this subsection.

23 “(4) RETURN REQUIREMENT.—If the tax im-
24 posed by this chapter for the taxable year is in-
25 creased under this subsection, the taxpayer shall,

1 notwithstanding section 6012, be required to file a
2 return with respect to the taxes imposed under this
3 subtitle.

4 “(d) LIMITATION BASED ON AMOUNT OF TAX.—In
5 the case of a taxable year to which section 26(a)(2) does
6 not apply, the credit allowed under subsection (a) for any
7 taxable year shall not exceed the excess of—

8 “(1) the sum of the regular tax liability (as de-
9 fined in section 26(b)) plus the tax imposed by sec-
10 tion 55, over

11 “(2) the sum of the credits allowable under this
12 subpart (other than this section) for the taxable
13 year.

14 “(e) DEFINITIONS AND SPECIAL RULES.—For pur-
15 poses of this section—

16 “(1) PRINCIPAL RESIDENCE.—The term ‘prin-
17 cipal residence’ has the same meaning as when used
18 in section 121.

19 “(2) PURCHASE.—In defining the purchase of a
20 principal residence, rules similar to the rules of
21 paragraphs (2) and (3) of section 1400C(e) (as in
22 effect on the date of the enactment of this section)
23 shall apply.

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

4 “(4) DENIAL OF DOUBLE BENEFIT.—

5 “(A) COORDINATION WITH OTHER CRED-
6 ITS.—No credit shall be allowed under this sec-
7 tion for any purchase for which a credit is al-
8 lowed under section 36 or section 1400C.

9 “(B) BASIS ADJUSTMENT.—For purposes
10 of this subtitle, if a credit is allowed under this
11 section with respect to the purchase of any resi-
12 dence, the basis of such residence shall be re-
13 duced by the amount of the credit so allowed.

14 “(f) APPLICATION OF SECTION.—This section shall
15 not apply to residences purchased during the 1-year period
16 beginning on the date of the enactment of this sub-
17 section.”.

18 (b) CONFORMING AMENDMENT.—Subsection (a) of
19 section 1016 of such Code is amended by striking “and”
20 at the end of paragraph (36), by striking the period at
21 the end of paragraph (37) and inserting “, and”, and by
22 adding at the end the following new paragraph:

23 “(38) to the extent provided in section
24 25E(e)(4).”.

1 (c) CLERICAL AMENDMENT.—The table of sections
2 for subpart A of part IV of subchapter A of chapter 1
3 of such Code is amended by inserting after the item relat-
4 ing to section 25D the following new item:

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

5 (d) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to residences purchased after the
7 date of the enactment of this Act.

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