

111TH CONGRESS  
1ST SESSION

# H. R. 755

To amend the Internal Revenue Code of 1986 to exclude from gross income the gain from the sale or exchange of certain residences acquired before 2013.

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 28, 2009

Mr. CALVERT 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 exclude from gross income the gain from the sale or exchange of certain residences acquired before 2013.

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. EXCLUSION FROM GROSS INCOME FOR GAIN**  
4 **FROM SALE OR EXCHANGE OF CERTAIN RESI-**  
5 **DENCES ACQUIRED BEFORE 2013.**

6 (a) IN GENERAL.—Part III of subchapter B of chap-  
7 ter 1 of the Internal Revenue Code of 1986 (relating to  
8 items specifically excluded from gross income) is amended  
9 by inserting after section 121 the following new section:

1 **“SEC. 121A. EXCLUSION OF GAIN FROM SALE OF 2 NON-**  
2 **PRINCIPAL RESIDENCES.**

3 “(a) EXCLUSION.—In the case of an individual, gross  
4 income shall not include gain from the sale or exchange  
5 of a qualified residence owned by the taxpayer.

6 “(b) LIMITATIONS.—

7 “(1) IN GENERAL.—The amount of gain ex-  
8 cluded from gross income under subsection (a) with  
9 respect to any sale or exchange shall not exceed  
10 \$250,000 (\$500,000 in the case of a joint return).

11 “(2) SPECIAL RULE FOR CERTAIN SALES BY  
12 SURVIVING SPOUSES.—In the case of a sale or ex-  
13 change of property by an unmarried individual  
14 whose spouse is deceased on the date of such sale,  
15 paragraph (1) shall be applied by substituting  
16 ‘\$500,000’ for ‘\$250,000’ if such sale occurs not  
17 later than 2 years after the date of death of such  
18 spouse.

19 “(3) LIMITATION BASED ON NUMBER OF RESI-  
20 DENCES.—Subsection (a) shall apply only with re-  
21 spect to 2 qualified residences of the taxpayer.

22 “(c) QUALIFIED RESIDENCE.—For purposes of this  
23 section, the term ‘qualified residence’ means a single fam-  
24 ily residence which is—

25 “(1) owned by the taxpayer,

1           “(2) not the principal residence (within the  
2 meaning of section 121) of the taxpayer,

3           “(3) located in the United States, and

4           “(4) acquired by the taxpayer after December  
5 31, 2008, and before January 1, 2012.

6           “(d) APPLICABLE RULES.—For purposes of this sec-  
7 tion, rules similar to the following rules of section 121  
8 shall apply:

9           “(1) Paragraphs (1), (4), (5), (6), (8), and (11)  
10 of section 121(d).

11           “(2) Subsection (e).

12           “(3) Subsection (f).”.

13           (b) CLERICAL AMENDMENT.—The table of sections  
14 for part III of subchapter B of chapter 1 of such Code  
15 is amended by inserting after the item relating to section  
16 121 the following new item:

“Sec. 121A. Exclusion of gain from sale of 2 non-principal residences.”.

17           (c) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to property acquired after Decem-  
19 ber 31, 2008.

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