

114TH CONGRESS
2D SESSION

H. R. 4696

To amend the Internal Revenue Code of 1986 to allow a deduction for homeowners association assessments.

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 2016

Ms. ESHOO (for herself and Mr. THOMPSON of California) 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 allow a deduction for homeowners association assessments.

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 Our Middle-
5 Income Earners Act” or the “HOME Act”.

6 **SEC. 2. DEDUCTION OF HOMEOWNERS ASSOCIATION AS-**
7 **SESSMENTS.**

8 (a) IN GENERAL.—Part VII of subchapter B of chap-
9 ter 1 of the Internal Revenue Code of 1986 is amended

1 by redesignating section 224 as section 225 and by insert-
2 ing after section 223 the following new section:

3 **“SEC. 224. HOMEOWNERS ASSOCIATION ASSESSMENTS.**

4 “(a) IN GENERAL.—In the case of an individual,
5 there shall be allowed as a deduction an amount equal to
6 the qualified homeowners association assessments paid by
7 the taxpayer during the taxable year.

8 “(b) LIMITATIONS.—

9 “(1) DOLLAR LIMITATION.—Except as provided
10 in paragraph (2), the deduction allowed by sub-
11 section (a) for the taxable year shall not exceed
12 \$5,000.

13 “(2) LIMITATION BASED ON MODIFIED AD-
14 JUSTED GROSS INCOME.—

15 “(A) IN GENERAL.—The amount which
16 would (but for this paragraph) be allowable as
17 a deduction under this section shall be reduced
18 (but not below zero) by the amount determined
19 under subparagraph (B).

20 “(B) AMOUNT OF REDUCTION.—The
21 amount determined under this subparagraph is
22 the amount which bears the same ratio to the
23 amount which would be so taken into account
24 as—

25 “(i) the excess of—

1 “(I) the taxpayer’s modified ad-
2 justed gross income for such taxable
3 year, over

4 “(II) \$100,000 (\$150,000 in the
5 case of a joint return), bears to

6 “(ii) \$15,000.

7 “(C) MODIFIED ADJUSTED GROSS IN-
8 COME.—The term ‘modified adjusted gross in-
9 come’ means the adjusted gross income of the
10 taxpayer for the taxable year increased by any
11 amount excluded from gross income under sec-
12 tion 911, 931, or 933.

13 “(D) COST-OF-LIVING ADJUSTMENT.—

14 “(i) IN GENERAL.—In the case of any
15 taxable year beginning in a calendar year
16 after 2016, the dollar amounts under sub-
17 paragraph (B)(i)(II) shall be increased by
18 an amount equal to—

19 “(I) such dollar amount, multi-
20 plied by

21 “(II) the cost-of-living adjust-
22 ment determined under section 1(f)(3)
23 for the calendar year in which the tax-
24 able year begins, determined by sub-
25 stituting ‘calendar year 2015’ for ‘cal-

1 endar year 1992’ in subparagraph (B)
2 thereof.

3 “(ii) ROUNDING.—If any amount
4 after adjustment under clause (i) is not a
5 multiple of \$500, such amount shall be
6 rounded to the next lower multiple of
7 \$500.

8 “(c) QUALIFIED HOMEOWNERS ASSOCIATION AS-
9 SESSMENTS.—For purposes of this section—

10 “(1) IN GENERAL.—The term ‘qualified home-
11 owners association assessments’ means regularly oc-
12 curring, mandatory financial assessments (other
13 than a special assessment)—

14 “(A) paid by a taxpayer to a homeowners
15 association with respect to the taxpayer’s prin-
16 cipal residence (within the meaning of section
17 121),

18 “(B) that directly benefit the taxpayer’s
19 principal residence, and

20 “(C) the obligation of which to pay arises
21 from the taxpayer’s mandatory and automatic
22 membership in such homeowners association.

23 “(2) HOMEOWNERS ASSOCIATION.—The term
24 ‘homeowners association’ has the meaning given

1 such term in section 528(c)(1) (determined without
2 regard to timeshare associations).”.

3 (b) INFORMATION REPORTING.—Subpart B of part
4 III of subchapter A of chapter 61 of such Code is amended
5 by adding at the end the following new section:

6 **“SEC. 6050X. RETURNS RELATED TO HOMEOWNERS ASSO-**
7 **CIATION ASSESSMENTS.**

8 “(a) IN GENERAL.—Any homeowners association
9 which receives qualified homeowners association assess-
10 ments from any individual during any calendar year shall
11 make a return (at such time and in such form and man-
12 ner) setting forth—

13 “(1) the name, address, and TIN of each such
14 individual, and

15 “(2) the amount of qualified homeowners asso-
16 ciation assessments received from each such indi-
17 vidual during the calendar year.

18 “(b) STATEMENTS TO BE FURNISHED TO INDIVID-
19 UALS WITH RESPECT TO WHOM INFORMATION IS RE-
20 QUIRED.—Every person required to make a return under
21 subsection (a) shall furnish to each individual whose name
22 is required to be set forth in such return under such sub-
23 section a written statement showing—

1 “(1) the name, address, and phone number of
2 the information contact of the person required to
3 make such return, and

4 “(2) the information required by subsection (a)
5 with respect to the individual.

6 The written statement required under the preceding sen-
7 tence shall be furnished on or before January 31 of the
8 year following the calendar year for which the return
9 under subsection (a) was required to be made.

10 “(c) DEFINITIONS.—For purposes of this section, the
11 terms ‘homeowners association’ and ‘qualified homeowners
12 association assessments’ shall have the respective mean-
13 ings given such terms by section 224.”.

14 (c) DEDUCTION NOT TREATED AS MISCELLANEOUS
15 ITEMIZED DEDUCTION.—Section 67(b) of such Code is
16 amended by striking “and” at the end of paragraph (11),
17 by striking the period at the end of paragraph (12) and
18 inserting “, and”, and by adding at the end the following
19 new paragraph:

20 “(13) the deduction under section 224 (relating
21 to homeowners association assessments).”.

22 (d) CLERICAL AMENDMENT.—The table of sections
23 for Part VII of subchapter B of chapter 1 of such Code
24 is amended by striking the item relating to section 224
25 and inserting the following:

“Sec. 224. Homeowners association assessments.

“Sec. 225. Cross reference.”.

- 1 (e) EFFECTIVE DATE.—The amendments made by
- 2 this section shall apply to taxable years beginning after
- 3 December 31, 2015.

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