

114TH CONGRESS  
1ST SESSION

# S. 2277

To amend the Internal Revenue Code of 1986 to allow a credit for veteran first-time homebuyers and for adaptive housing and mobility improvements for disabled veterans, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

NOVEMBER 10, 2015

Mr. CASEY 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 allow a credit for veteran first-time homebuyers and for adaptive housing and mobility improvements for disabled veterans, and for other purposes.

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 “Veterans Homebuyer  
5 Accessibility Act of 2015”.

1 **SEC. 2. VETERAN FIRST-TIME HOMEBUYER TAX CREDIT.**

2 (a) IN GENERAL.—Subsection (a) of section 36 of the  
3 Internal Revenue Code of 1986 is amended to read as fol-  
4 lows:

5 “(a) ALLOWANCE OF CREDIT.—In the case of an eli-  
6 gible veteran who purchases a principal residence in the  
7 United States during the taxable year, there shall be al-  
8 lowed as a credit against the tax imposed by this subtitle  
9 for such taxable year an amount equal to 10 percent of  
10 the purchase price of the residence.”.

11 (b) ADDITIONAL LIMITATION FOR ADAPTIVE HOUS-  
12 ING IMPROVEMENTS.—

13 (1) IN GENERAL.—Paragraph (1) of section  
14 36(b) of such Code is amended by redesignating  
15 subparagraphs (B), (C), and (D) as subparagraphs  
16 (C), (D), and (E), respectively, and by inserting  
17 after subparagraph (A) the following new subpara-  
18 graph:

19 “(B) SPECIAL RULE FOR ADAPTIVE HOUS-  
20 ING IMPROVEMENTS.—In the case of a principal  
21 residence with special fixtures or movable facili-  
22 ties made necessary by the nature of the dis-  
23 ability of the veteran, if such fixtures and facili-  
24 ties are—

25 “(i) provided to the veteran pursuant  
26 to specially adapted housing assistance

1 under chapter 17 or 21 of title 38, United  
2 States Code, or

3 “(ii) similar to such fixtures and fa-  
4 cilities that would be provided to the vet-  
5 eran if the veteran received such assist-  
6 ance,

7 then subparagraph (A) shall be increased by the  
8 lesser of \$8,000 or the portion of the purchase  
9 price of the principal residence attributable  
10 such fixtures or movable facilities.”.

11 (2) CONFORMING AMENDMENTS.—

12 (A) Subparagraph (D) of section 36(b)(1)  
13 of such Code, as redesignated by paragraph (1),  
14 is amended by striking “\$8,000” and inserting  
15 “the sum of the limitations under subpara-  
16 graphs (A) and (B)”.

17 (B) Subparagraph (E) of section 36(b)(1)  
18 of such Code, as redesignated by paragraph (1),  
19 is amended by striking “subparagraphs (A),  
20 (B), and (C)” and inserting “subparagraphs  
21 (A) and (C)”.

22 (c) ELIGIBLE VETERAN.—

23 (1) IN GENERAL.—Paragraph (1) of section  
24 36(c) of such Code is amended by striking “FIRST-  
25 TIME HOMEBUYER.—The term ‘first time home-

1 buyer’ means any individual” and inserting “ELIGI-  
 2 BLE VETERAN.—The term ‘eligible veteran’ means  
 3 any individual who is a veteran (as defined in sec-  
 4 tion 101(2) of title 38, United States Code)”.

5 (2) LONG-TIME RESIDENT.—Paragraph (6) of  
 6 section 36(c) of such Code is amended by striking  
 7 “treated as a first-time homebuyer” and inserting  
 8 “treated as meeting the no present ownership inter-  
 9 est requirement of paragraph (1)”.

10 (d) RECAPTURE OF CREDIT.—Subsection (f) of sec-  
 11 tion 36 of such Code is amended to read as follows:

12 “(f) RECAPTURE OF CREDIT.—

13 “(1) IN GENERAL.—If a taxpayer disposes of  
 14 the principal residence with respect to which a credit  
 15 was allowed under subsection (a) (or such residence  
 16 ceases to be the principal residence of the taxpayer  
 17 (and, if married, the taxpayer’s spouse)) before the  
 18 end of the 36-month period beginning on the date of  
 19 the purchase of such residence by the taxpayer the  
 20 tax imposed by this chapter for the taxable year of  
 21 such disposition or cessation shall be increased by  
 22 the amount of the credit so allowed.

23 “(2) EXCEPTIONS.—

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

4           “(B) INVOLUNTARY CONVERSION.—Para-  
5 graph (1) shall not apply in the case of a resi-  
6 dence which is compulsorily or involuntarily  
7 converted (within the meaning of section  
8 1033(a)) if the taxpayer acquires a new prin-  
9 cipal residence during the 2-year period begin-  
10 ning on the date of the disposition or cessation  
11 referred to in paragraph (1). Paragraph (1)  
12 shall apply to such new principal residence dur-  
13 ing the 36-month period referred to therein in  
14 the same manner as if such new principal resi-  
15 dence were the converted residence.

16           “(C) TRANSFERS BETWEEN SPOUSES OR  
17 INCIDENT TO DIVORCE.—In the case of a trans-  
18 fer of a residence to which section 1041(a) ap-  
19 plies—

20                   “(i) paragraph (1) shall not apply to  
21 such transfer, and

22                   “(ii) in the case of taxable years end-  
23 ing after such transfer, paragraph (1) shall  
24 apply to the transferee in the same manner

1 as if such transferee were the transferor  
2 (and shall not apply to the transferor).

3 “(D) SPECIAL RULE FOR MEMBERS OF  
4 THE ARMED FORCES, ETC.—

5 “(i) IN GENERAL.—In the case of the  
6 disposition of a principal residence by an  
7 individual (or a cessation referred to in  
8 paragraph (1)) in connection with Govern-  
9 ment orders received by such individual, or  
10 such individual’s spouse, for qualified offi-  
11 cial extended duty service, paragraph (1)  
12 shall not apply to such disposition (or ces-  
13 sation).

14 “(ii) QUALIFIED OFFICIAL EXTENDED  
15 DUTY SERVICE.—For purposes of this sec-  
16 tion, the term ‘qualified official extended  
17 duty service’ means service on qualified of-  
18 ficial extended duty as—

19 “(I) a member of the uniformed  
20 services,

21 “(II) a member of the Foreign  
22 Service of the United States, or

23 “(III) an employee of the intel-  
24 ligence community.

1           “(iii) DEFINITIONS.—Any term used  
2           in this subparagraph which is also used in  
3           paragraph (9) of section 121(d) shall have  
4           the same meaning as when used in such  
5           paragraph.

6           “(3) JOINT RETURNS.—In the case of a credit  
7           allowed under subsection (a) with respect to a joint  
8           return, half of such credit shall be treated as having  
9           been allowed to each individual filing such return for  
10          purposes of this subsection.

11          “(4) RETURN REQUIREMENT.—If the tax im-  
12          posed by this chapter for the taxable year is in-  
13          creased under this subsection, the taxpayer shall,  
14          notwithstanding section 6012, be required to file a  
15          return with respect to the taxes imposed under this  
16          subtitle.”.

17          (e) APPLICATION OF CREDIT.—Subsection (h) of sec-  
18          tion 36 of such Code is amended to read as follows:

19          “(h) TERMINATION.—This section shall not apply to  
20          any residence purchased after December 31, 2017.”.

21          (f) ASSIGNMENT OF CREDIT IN CASE OF CONSTRUC-  
22          TION.—Section 36 of such Code is amended by adding at  
23          the end the following new subsection:

24          “(i) CREDIT MAY BE ASSIGNED.—

1           “(1) IN GENERAL.—In the case of a residence  
2           constructed by the taxpayer, if such taxpayer elects  
3           the application of this subsection for any taxable  
4           year, any portion of the credit determined under this  
5           section which is attributable to an increase under  
6           subparagraph (B) of subsection (b)(1) for such year  
7           which would (but for this subsection) be allowable to  
8           the taxpayer may be assigned to any person who is  
9           an eligible designee. The person so designated shall  
10          be allowed the amount of the credit so assigned and  
11          shall be treated as the taxpayer with respect to such  
12          credit for purposes of this title (other than this  
13          paragraph), except that such credit shall be treated  
14          as a credit listed in section 38(b) for such taxable  
15          year (and not allowed under subsection (a)).

16          “(2) ELIGIBLE DESIGNEE.—For purposes of  
17          paragraph (1), the term ‘eligible designee’ means  
18          any person who, with respect to the residence, pro-  
19          vides or installs any improvements, special fixtures,  
20          or movable facilities to which the credit is attrib-  
21          utable under subparagraph (B) of subsection (b)(1).

22          “(3) ELECTION REQUIREMENTS.—Any election  
23          under paragraph (1) shall include such information  
24          and shall be made at such time, and in such form



1 and manner, as the Secretary shall by regulation  
2 prescribe.”.

3 (g) CONFORMING AMENDMENTS.—

4 (1) Section 38(b) of such Code is amended by  
5 striking “plus” at the end of paragraph (35), by  
6 striking the period at the end of paragraph (36) and  
7 inserting “, plus”, and by adding at the end the fol-  
8 lowing new paragraph:

9 “(37) the portion of the veteran first-time  
10 homebuyer credit assigned to the taxpayer to which  
11 the second sentence of section 36(i)(1) applies,”.

12 (2) The heading for section 1400C(e)(4) of  
13 such Code is amended by striking “NATIONAL FIRST-  
14 TIME HOMEBUYERS CREDIT” and inserting “VET-  
15 ERAN FIRST-TIME HOMEBUYERS CREDIT”.

16 (h) CLERICAL AMENDMENTS.—

17 (1) The heading for section 36 of such Code is  
18 amended to read as follows:

19 **“SEC. 36. VETERAN FIRST-TIME HOMEBUYER CREDIT.”.**

20 (2) The item relating to section 36 in the table  
21 of sections for subpart C of part IV of subchapter  
22 A of chapter 1 of such Code is amended to read as  
23 follows:

“Sec. 36. Veteran first-time homebuyer credit.”.

1 (i) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to residences purchased after the  
3 date of the enactment of this Act.

4 **SEC. 3. VETERAN HOME MOBILITY IMPROVEMENT CREDIT.**

5 (a) IN GENERAL.—Subpart C of part IV of sub-  
6 chapter A of chapter 1 of the Internal Revenue Code of  
7 1986 is amended by inserting before section 37 the fol-  
8 lowing new section:

9 **“SEC. 36C. VETERAN HOME MOBILITY IMPROVEMENT**  
10 **CREDIT.**

11 “(a) IN GENERAL.—In the case of a veteran, there  
12 shall be allowed as a credit against the tax imposed by  
13 this subtitle for any taxable year an amount equal to the  
14 amount paid or incurred by the taxpayer for qualified  
15 adaptive housing improvements for the taxable year.

16 “(b) LIMITATION.—The credit allowed under sub-  
17 section (a) shall not exceed \$8,000.

18 “(c) QUALIFIED ADAPTIVE HOUSING IMPROVE-  
19 MENT.—For purposes of this section, the term ‘qualified  
20 adaptive housing improvement’ means special fixtures or  
21 movable facilities with respect to the principal residence  
22 of the veteran which are made necessary by the nature  
23 of the disability of the veteran, if such fixtures and facili-  
24 ties are—

1           “(1) provided to the veteran pursuant to spe-  
2           cially adapted housing assistance under chapter 17  
3           or 21 of title 38, United States Code, or

4           “(2) similar to such fixtures and facilities that  
5           would be provided to the veteran if the veteran re-  
6           ceived such assistance.

7           “(d) CREDIT MAY BE ASSIGNED.—

8           “(1) IN GENERAL.—If the taxpayer elects the  
9           application of this subsection for any taxable year,  
10          any portion of the credit under this section for such  
11          year which would (but for this subsection) be allow-  
12          able to the taxpayer may be assigned to any person  
13          who is an eligible designee. The person so designated  
14          shall be allowed the amount of the credit so assigned  
15          and shall be treated as the taxpayer with respect to  
16          such credit for purposes of this title (other than this  
17          paragraph), except that such credit shall be treated  
18          as a credit listed in section 38(b) for such taxable  
19          year (and not allowed under subsection (a)).

20          “(2) ELIGIBLE DESIGNEE.—For purposes of  
21          paragraph (1), the term ‘eligible designee’ means  
22          any person who, with respect to the residence, pro-  
23          vides or installs any qualified adaptive housing im-  
24          provements to which the credit under this section is  
25          attributable.

1           “(3) ELECTION REQUIREMENTS.—Any election  
2 under paragraph (1) shall include such information  
3 and shall be made at such time, and in such form  
4 and manner, as the Secretary shall by regulation  
5 prescribe.”.

6           (b) CONFORMING AMENDMENTS.—

7           (1) Section 1324(b)(2) of title 31, United  
8 States Code, is amended by inserting “36C,” after  
9 “36B,”.

10           (2) Section 38(b) of the Internal Revenue Code  
11 of 1986, as amended by section 2, is amended by  
12 striking “plus” at the end of paragraph (36), by  
13 striking the period at the end of paragraph (37) and  
14 inserting “, and”, and by adding at the end the fol-  
15 lowing new paragraph:

16           “(38) the portion of the veteran home mobility  
17 improvement credit assigned to the taxpayer to  
18 which the second sentence of section 36C(d)(1) ap-  
19 plies.”.

20           (3) The table of sections for subpart C of part  
21 IV of subchapter A of chapter 1 of the Internal Rev-  
22 enue Code of 1986 is amended by inserting before  
23 the item relating to section 37 the following new  
24 item:

“Sec. 36C. Veteran home mobility improvement credit.”.

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

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