

116TH CONGRESS
2D SESSION

H. R. 5726

To amend the Internal Revenue Code of 1986 to allow, in certain cases, an increase in the limitation on the exclusion for gains from a sale or exchange of a principal residence.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 30, 2020

Mr. GOTTHEIMER (for himself and Mr. KATKO) 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, in certain cases, an increase in the limitation on the exclusion for gains from a sale or exchange of a principal residence.

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 “Senior Housing Im-
5 provement and Retirement Accounts Act of 2020” or the
6 “Senior Housing IRA Act of 2020”.

1 **SEC. 2. INCREASE IN EXCLUSION LIMITATION FOR GAINS**
2 **FROM CERTAIN SALES OF PRINCIPAL RESI-**
3 **DENCES.**

4 (a) IN GENERAL.—Subsection (b) of section 121 of
5 the Internal Revenue Code of 1986 is amended by adding
6 at the end the following new paragraph:

7 “(6) SPECIAL RULES FOR CERTAIN TAX-
8 PAYERS.—

9 “(A) IN GENERAL.—In the case of a quali-
10 fied individual, paragraph (1) shall be applied
11 by inserting ‘the sum of’ before ‘\$250,000’ and
12 by inserting ‘and the amount treated under
13 paragraph (8) of section 408A(c) as a qualified
14 rollover contribution to a Roth IRA of the
15 qualified individual referred to in paragraph
16 (6)(A)’ after ‘\$250,000’.

17 “(B) QUALIFIED INDIVIDUAL.—The term
18 ‘qualified individual’ means, with respect to a
19 sale or exchange of property to which sub-
20 section (a) applies, an individual who—

21 “(i) has attained the age of 55 before
22 the date of such sale or exchange,

23 “(ii) has owned and used the property
24 as such individual’s principal residence for
25 a period of not less than 20 years, and

1 “(iii) has not previously elected to
2 treat a contribution to a Roth IRA as a
3 qualified rollover contribution under para-
4 graph (8) of section 408A(c).

5 In the case of a joint return, ownership and use
6 of the property by an individual’s spouse shall
7 be taken into account as ownership and use by
8 such individual.”.

9 (b) REMOVING ROTH IRA CONTRIBUTION LIMITS.—

10 (1) IN GENERAL.—Subsection (c) of section
11 408A of such Code is amended by adding at the end
12 the following new paragraph:

13 “(8) PROCEEDS FROM SALES OF CERTAIN RESI-
14 DENCES TREATED AS ROLLOVER CONTRIBUTIONS.—

15 “(A) IN GENERAL.—In the case of a quali-
16 fied individual (as defined in subsection
17 (b)(6)(B) of section 121), a contribution to a
18 Roth IRA of gain from a sale or exchange of
19 property described in subsection (a) of such sec-
20 tion may be treated, at the election of such tax-
21 payer, as a qualified rollover contribution from
22 a Roth IRA for purposes of this section.

23 “(B) LIMITATION.—The amount of gain
24 that may be treated as a qualified rollover con-

1 tribution under subparagraph (A) for a tax-
2 payer may not exceed the excess of—

3 “(i) the gain from the sale or ex-
4 change described in subparagraph (A),
5 over

6 “(ii) the amount that would (without
7 regard to paragraph (6) of subsection (b)
8 of such section) be excluded from gross in-
9 come under subsection (a) of section
10 121.”.

11 (c) **EFFECTIVE DATE.**—The amendment made by
12 this section shall apply with respect to sales or exchanges
13 of property in taxable years beginning after the date of
14 the enactment of this Act.

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