

117TH CONGRESS  
1ST SESSION

# H. R. 5078

To amend the Internal Revenue Code of 1986 to increase the amount that can be withdrawn without penalty from individual retirement plans as first-time homebuyer distributions.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 23, 2021

Mr. SEAN PATRICK MALONEY of New York 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To amend the Internal Revenue Code of 1986 to increase the amount that can be withdrawn without penalty from individual retirement plans as first-time homebuyer distributions.

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 “First Time Home-  
5 owner Savings Plan Act”.

1 **SEC. 2. INCREASE IN LIMITATION ON PENALTY-FREE**  
2 **FIRST-TIME HOMEBUYER DISTRIBUTIONS.**

3 (a) **IN GENERAL.**—Section 72(t)(8)(B)(i) of the In-  
4 ternal Revenue Code of 1986 is amended by striking  
5 “\$10,000” and inserting “\$25,000”.

6 (b) **INFLATION ADJUSTMENT.**—Section 72(t)(8) of  
7 such Code is amended by adding at the end the following  
8 new subparagraph:

9 “(F) **INFLATION ADJUSTMENT.**—In the  
10 case of any taxable year beginning in a calendar  
11 year after 2022, the \$25,000 amount in sub-  
12 paragraph (B)(i) shall be increased by an  
13 amount equal to—

14 “(i) such dollar amount, multiplied by

15 “(ii) the cost-of-living adjustment de-  
16 termined under section 1(f)(3) for the cal-  
17 endar year in which the taxable year be-  
18 gins, by substituting ‘calendar year 2021’  
19 for ‘calendar year 1992’.

20 Any increase determined under the preceding  
21 sentence shall be rounded to the nearest mul-  
22 tiple of \$100.”.

23 (c) **EFFECTIVE DATE.**—The amendments made by  
24 this section shall apply to distributions made December  
25 31, 2021, in taxable years ending after such date.