

119TH CONGRESS
2D SESSION

H. R. 7051

To amend the Internal Revenue Code of 1986 to exclude from gross income gains on the sale of real property to first-time homebuyers by individuals who have attained age 65.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 14, 2026

Mr. MCGUIRE (for himself, Mr. BARRETT, Mr. STAUBER, Mr. STUTZMAN, Mr. SCHMIDT, Mr. MACKENZIE, Mr. HAMADEH of Arizona, Mrs. MILLER-MEEKS, and Mrs. CAMMACK) 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 exclude from gross income gains on the sale of real property to first-time homebuyers by individuals who have attained age 65.

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 “American Dream Act”.

1 **SEC. 2. EXCLUSION FROM GROSS INCOME OF GAINS ON**
2 **THE SALE OF REAL PROPERTY TO FIRST-**
3 **TIME HOMEBUYERS BY INDIVIDUALS WHO**
4 **HAVE ATTAINED AGE 65.**

5 (a) IN GENERAL.—Part III of subchapter B of chap-
6 ter 1 of the Internal Revenue Code of 1986 is amended
7 by inserting after section 121 the following new section:

8 **“SEC. 121A. EXCLUSION OF GAIN FROM SALE OF REAL**
9 **PROPERTY TO FIRST-TIME HOMEBUYERS BY**
10 **INDIVIDUALS WHO HAVE ATTAINED AGE 65.**

11 “(a) IN GENERAL.—In the case of an individual,
12 gross income shall not include gain from the sale of real
13 property if—

14 “(1) the taxpayer (either spouse in the case of
15 a joint return) has attained age 65 as of the date
16 of such sale,

17 “(2) such sale is to a first-time homebuyer for
18 use as such first-time homebuyer’s principal resi-
19 dence (within the meaning of section 121),

20 “(3) the price at which such real property is
21 sold does not exceed \$500,000, and

22 “(4) the closing documents with respect to such
23 sale include a statement by the buyer made under
24 penalty of perjury that such buyer is a first-time
25 homebuyer and is purchasing such property for use

1 as such buyer's principal residence (within the
2 meaning of section 121).

3 “(b) FIRST-TIME HOMEBUYER.—For purposes of
4 this section, the term ‘first-time homebuyer’ means any
5 individual if such individual, or such individual's spouse,
6 has not had a present ownership interest in a principal
7 residence (within the meaning of section 121) at any time
8 prior to the date of the sale to which this section applies.

9 “(c) COORDINATION WITH EXCLUSION OF GAIN
10 FROM SALE OF PRINCIPAL RESIDENCE.—Section 121
11 shall not apply to any sale to which subsection (a) applies.

12 “(d) TERMINATION.—This section shall not apply to
13 any sale after December 31, 2031.”.

14 (b) CLERICAL AMENDMENT.—The table of sections
15 for part III of subchapter B of chapter 1 of such Code
16 is amended by inserting after the item relating to section
17 121 the following new item:

“Sec. 121A. Exclusion of gain from sale of real property to first-time home-
buyers by individuals who have attained age 65.”.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to sales after December 31, 2026,
20 in taxable years ending after such date.

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