

107TH CONGRESS  
1ST SESSION

# S. 945

To amend the Internal Revenue Code of 1986 to repeal the recognition of capital gain rule for home offices.

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IN THE SENATE OF THE UNITED STATES

MAY 24, 2001

Mr. BOND 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 repeal the recognition of capital gain rule for home offices.

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 “Home-Office Deduc-  
5 tion Simplification Act of 2001”.

6 **SEC. 2. REPEAL OF RECOGNITION OF GAIN RULE FOR**  
7 **HOME OFFICE.**

8 (a) IN GENERAL.—Subsection (d) of section 121 of  
9 the Internal Revenue Code of 1986 (relating to exclusion  
10 of gain from sale of principal residence) is amended by

1 striking paragraph (6) and redesignating paragraphs (7)  
2 and (8) as paragraphs (6) and (7), respectively.

3 (b) EXCEPTION TO TREATMENT AS GAIN FROM DIS-  
4 POSITION OF PRINCIPAL RESIDENCE.—Subsection (d) of  
5 section 1250 of the Internal Revenue Code of 1986 (relat-  
6 ing to gain from dispositions of certain depreciable realty)  
7 is amended by adding at the end the following new para-  
8 graph:

9 “(9) HOME OFFICE.—Subsection (a) shall not  
10 apply to property described in section 280A(c)(1)  
11 which is a portion of the principal residence (within  
12 the meaning of section 121) of the taxpayer.”.

13 (c) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to sales and exchanges occurring  
15 after December 31, 2000.

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