

109TH CONGRESS  
1ST SESSION

# S. 469

To amend the Internal Revenue Code of 1986 to exclude from gross income the gain from the sale of a principal residence by certain employees of the intelligence community.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 28, 2005

Mr. ROCKEFELLER (for himself, Mr. LOTT, Mr. ROBERTS, Ms. SNOWE, Mr. BAYH, Mr. CHAMBLISS, Ms. MIKULSKI, Mr. CORZINE, Mr. LEVIN, Mr. DEWINE, Mr. WYDEN, Mr. BOND, Mrs. FEINSTEIN, Mr. HAGEL, and Mr. HATCH) 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 exclude from gross income the gain from the sale of a principal residence by certain employees of the intelligence community.

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. EXCLUSION OF GAIN FROM SALE OF A PRIN-**  
4 **CIPAL RESIDENCE BY CERTAIN EMPLOYEES**  
5 **OF THE INTELLIGENCE COMMUNITY.**

6 (a) IN GENERAL.—Subparagraph (A) of section  
7 121(d)(9) of the Internal Revenue Code (relating to exclu-

1 sion of gain from sale of principal residence) is amended  
 2 by striking “duty” and all that follows and inserting  
 3 “duty—

4 “(i) as a member of the uniformed  
 5 services,

6 “(ii) as a member of the Foreign  
 7 Service of the United States, or

8 “(iii) as an employee of the intel-  
 9 ligence community.”.

10 (b) EMPLOYEE OF INTELLIGENCE COMMUNITY DE-  
 11 FINED.—Subparagraph (C) of section 121(d)(9) of the In-  
 12 ternal Revenue Code of 1986 is amended by redesignating  
 13 clause (iv) as clause (v) and by inserting after clause (iii)  
 14 the following new clause:

15 “(iv) EMPLOYEE OF INTELLIGENCE  
 16 COMMUNITY.—The term ‘employee of the  
 17 intelligence community’ means an employee  
 18 (as defined by section 2105 of title 5,  
 19 United States Code) of—

20 “(I) the Office of the Director of  
 21 National Intelligence,

22 “(II) the Central Intelligence  
 23 Agency,

24 “(III) the National Security  
 25 Agency,

1 “(IV) the Defense Intelligence  
2 Agency,

3 “(V) the National Geospatial-In-  
4 telligence Agency,

5 “(VI) the National Reconnaiss-  
6 sance Office,

7 “(VII) any other office within the  
8 Department of Defense for the collec-  
9 tion of specialized national intelligence  
10 through reconnaissance programs,

11 “(VIII) any of the intelligence  
12 elements of the Army, the Navy, the  
13 Air Force, the Marine Corps, the Fed-  
14 eral Bureau of Investigation, the De-  
15 partment of Treasury, the Depart-  
16 ment of Energy, and the Coast  
17 Guard,

18 “(IX) the Bureau of Intelligence  
19 and Research of the Department of  
20 State, or

21 “(X) any of the elements of the  
22 Department of Homeland Security  
23 concerned with the analyses of foreign  
24 intelligence information.”.

1       (c) SPECIAL RULE.—Subparagraph (C) of section  
 2 121(d)(9) of the Internal Revenue Code of 1986, as  
 3 amended by subsection (b), is amended by adding at the  
 4 end the following new clause:

5                       “(vi) SPECIAL RULE RELATING TO IN-  
 6 TELLIGENCE COMMUNITY.—An employee  
 7 of the intelligence community shall not be  
 8 treated as serving on qualified extended  
 9 duty unless—

10                      “(I) for purposes of such duty  
 11 such employee has moved from 1 duty  
 12 station to another, and

13                      “(II) at least 1 of such duty sta-  
 14 tions is located outside of the Wash-  
 15 ington, District of Columbia, and Bal-  
 16 timore metropolitan statistical areas  
 17 (as defined by the Secretary of Com-  
 18 merce).”.

19       (d) CONFORMING AMENDMENT.—The heading for  
 20 section 121(d)(9) of the Internal Revenue Code of 1986  
 21 is amended to read as follows: “UNIFORMED SERVICES,  
 22 FOREIGN SERVICE, AND INTELLIGENCE COMMUNITY”.

23       (e) EFFECTIVE DATE; SPECIAL RULE.—

24                      (1) EFFECTIVE DATE.—The amendments made  
 25 by this section shall take effect as if included in the

1 amendments made by section 312 of the Taxpayer  
2 Relief Act of 1997.

3 (2) WAIVER OF LIMITATIONS.—If refund or  
4 credit of any overpayment of tax resulting from the  
5 amendments made by this section is prevented at  
6 any time before the close of the 1-year period begin-  
7 ning on the date of the enactment of this Act by the  
8 operation of any law or rule of law (including res ju-  
9 dicata), such refund or credit may nevertheless be  
10 made or allowed if claim therefor is filed before the  
11 close of such period.

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