

119TH CONGRESS  
2D SESSION

# H. R. 8221

To amend the Internal Revenue Code of 1986 to establish first-time  
homebuyer savings accounts.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 9, 2026

Ms. MACE 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 establish  
first-time homebuyer savings accounts.

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 Homebuyer  
5 Savings Act of 2026”.

6 **SEC. 2. FIRST-TIME HOMEBUYER SAVINGS ACCOUNT.**

7 (a) IN GENERAL.—Part VII of subchapter B of chap-  
8 ter 1 of subtitle A of the Internal Revenue Code of 1986  
9 is amended by inserting after section 225 the following  
10 new section:

1 **“SEC. 225A. FIRST-TIME HOMEBUYER SAVINGS ACCOUNT.**

2 “(a) DEDUCTION ALLOWED.—In the case of an eligi-  
3 ble individual, there shall be allowed as a deduction for  
4 the taxable year an amount equal to the aggregate amount  
5 paid in cash during such taxable year by or on behalf of  
6 such individual to a first-time homebuyer savings account  
7 of such individual.

8 “(b) DEFINITIONS.—For purposes of this section—

9 “(1) FIRST-TIME HOMEBUYER SAVINGS AC-  
10 COUNT.—The term ‘first-time homebuyer savings ac-  
11 count’ means a trust created or organized in the  
12 United States as a first-time homebuyer savings ac-  
13 count exclusively for the purpose of paying qualified  
14 homebuyer expenses of the account beneficiary, but  
15 only if the written governing instrument creating the  
16 trust meets the following requirements:

17 “(A) No contribution will be accepted—

18 “(i) unless it is in cash, or

19 “(ii) if such contribution would result  
20 in aggregate contributions to such account  
21 in excess of the contribution limit specified  
22 in subsection (c).

23 “(B) The trustee is a bank (as defined in  
24 section 408(n)), an insurance company (as de-  
25 fined in section 816), or another person who  
26 demonstrates to the satisfaction of the Sec-

1           retary that the manner in which such person  
2           will administer the trust will be consistent with  
3           the requirements of this section.

4           “(C) No part of the trust assets will be in-  
5           vested in life insurance contracts.

6           “(D) The assets of the trust will not be  
7           commingled with other property except in a  
8           common trust fund or common investment  
9           fund.

10          “(E) The interest of an individual in the  
11          balance in his account is nonforfeitable.

12          “(2) ELIGIBLE INDIVIDUAL.—The term ‘eligible  
13          individual’ means an individual if such individual  
14          (and, if married, such individual’s spouse) had no  
15          present ownership interest in a residential property  
16          during the 3-year period ending on the present date.

17          “(3) QUALIFIED HOMEBUYER EXPENSES.—For  
18          purposes of this section, the term ‘qualified home-  
19          buyer expenses’ means amounts paid or incurred by  
20          the account beneficiary—

21                 “(A) in the case of an eligible individual,  
22                 to purchase a principal residence, including any  
23                 transaction costs relating to such purchase,

24                 “(B) in the case of an eligible individual,  
25                 to construct a principal residence, including

1 purchasing land, site preparation, design costs,  
2 permitting costs, and other expenses incurred to  
3 carry out such construction, and

4 “(C) for any expense relating to a prin-  
5 cipal residence of the account beneficiary ac-  
6 quired or constructed when such account bene-  
7 ficiary was an eligible individual during the 3-  
8 year period beginning on the date—

9 “(i) of the acquisition of such prin-  
10 cipal residence, or

11 “(ii) in the case of a principal resi-  
12 dence constructed by the taxpayer, the  
13 date on which such construction was com-  
14 pleted.

15 “(4) ACCOUNT BENEFICIARY.—The term ‘ac-  
16 count beneficiary’ means the individual on whose be-  
17 half the first-time homebuyer savings account was  
18 established.

19 “(5) PRINCIPAL RESIDENCE.—The term ‘prin-  
20 ciple residence’ has the same meaning as when used  
21 in section 121.

22 “(6) PUBLICATION OF NATIONAL AVERAGE SIN-  
23 GLE FAMILY HOME PRICE.—The Secretary of the  
24 Treasury shall, not later than December 31 of each  
25 calendar year, publish the estimated national aver-

1       age price of a single family home for the following  
2       calendar year.

3               “(7) ROLLOVER CONTRIBUTION.—The term  
4       ‘rollover contribution’ means an amount paid or dis-  
5       tributed from a first-time homebuyer savings ac-  
6       count to the account beneficiary to the extent that—

7               “(A) the amount received is paid into a  
8       first-time homebuyer savings account for the  
9       benefit of such beneficiary not later than the  
10       60th day after the day on which the beneficiary  
11       receives the payment or distribution, and

12              “(B) such account beneficiary did not re-  
13       ceive any other amount described in subpara-  
14       graph (A) from a first-time homebuyer savings  
15       account which was not includible in the individ-  
16       ual’s gross income because of subsection  
17       (d)(2)(B) during the 1-year period ending on  
18       the date of such receipt.

19              “(c) CONTRIBUTION LIMIT.—The aggregate amount  
20       of contributions for any calendar year to all first-time  
21       homebuyer savings accounts maintained for the benefit of  
22       an individual shall not exceed \$10,000.

23              “(d) LIMITATION ON MODIFIED ADJUSTED GROSS  
24       INCOME.—In the case of a taxpayer whose adjusted gross  
25       income for the taxable year exceeds \$200,000 (twice such

1 amount in the case of a joint return), no deduction shall  
 2 be allowed under subsection (a) for such taxable year.

3 “(e) TREATMENT OF DISTRIBUTIONS.—

4 “(1) AMOUNTS USED FOR QUALIFIED HOME-  
 5 BUYER EXPENSES.—Any amount paid or distributed  
 6 out of a first-time homebuyer savings account which  
 7 is used exclusively to pay qualified homebuyer ex-  
 8 penses shall not be includible in gross income.

9 “(2) INCLUSION OF AMOUNTS NOT USED FOR  
 10 QUALIFIED HOMEBUYER EXPENSES.—Any amount  
 11 paid or distributed out of a first-time homebuyer  
 12 savings account which is not—

13 “(A) used exclusively to pay the qualified  
 14 homebuyer expenses of the account beneficiary,

15 “(B) a rollover contribution, or

16 “(C) a transfer made under subsection (g),  
 17 shall be included in the gross income of such bene-  
 18 ficiary and the amount of any tax imposed by this  
 19 chapter shall be increased by 10 percent on any  
 20 amount so includible.

21 “(3) EXCESS CONTRIBUTIONS RETURNS BE-  
 22 FORE DUE DATE OF RETURN.—

23 “(A) IN GENERAL.—If any excess con-  
 24 tribution is contributed for a taxable year to  
 25 any first-time homebuyer savings account of an

individual, paragraph (2) shall not apply to distributions from the first-time homebuyer savings accounts of such individual (to the extent such distributions do not exceed the aggregate excess contributions to all such accounts of such individual for such year) if—

“(i) such distribution is received by the individual on or before the last day prescribed by law (including extensions of time) for filing such individual’s return for such taxable year, and

“(ii) such distribution is accompanied by the amount of net income attributable to such excess contribution.

Any net income described in clause (ii) shall be included in the gross income of the individual for the taxable year in which it is received.

“(B) EXCESS CONTRIBUTION DEFINED.—

For purposes of subparagraph (A), the term ‘excess contribution’ means any contribution (other than a rollover contribution) which is not excludable from gross income under this section.

“(f) TAX TREATMENT OF ACCOUNT.—A first-time homebuyer savings account is exempt from taxation under

1 this subtitle unless such account has ceased to be a first-  
2 time homebuyer savings account. Notwithstanding the  
3 preceding sentence, any such account is subject to the  
4 taxes imposed by section 511 (relating to imposition of  
5 tax on unrelated business income of charitable, etc. orga-  
6 nizations).

7 “(g) TREATMENT OF ACCOUNT AFTER ACQUISITION  
8 OF RESIDENTIAL PROPERTY.—

9 “(1) IN GENERAL.—In the case of an account  
10 beneficiary who acquires (or whose spouse acquires)  
11 a present ownership interest in a residential prop-  
12 erty such individual may transfer amounts in the  
13 first-time homebuyer savings account of such indi-  
14 vidual or such individual’s spouse to an individual  
15 retirement account (as defined in section 408(a)) of  
16 such individual or such individual’s spouse during  
17 the 180 day period beginning on the date on which  
18 the 3-year period described in subsection (b)(3)(C)  
19 ends with respect to such acquisition.

20 “(2) TERMINATION.—A first-time homebuyer  
21 savings account shall cease to be a first-time home-  
22 buyer savings account on the first day after the 180  
23 day period described in paragraph (1) and amounts  
24 in such account shall be treated as distributed to the  
25 account beneficiary.”.



1       (b) PAYMENT TO FIRST-TIME HOMEBUYER SAVINGS  
2 ACCOUNT NOT TREATED AS WAGES.—Section 3121(a) of  
3 such Code is amended—

4           (1) in paragraph (22)(B), by striking “; or”  
5 and inserting a comma,

6           (2) in paragraph (23), by striking “section sec-  
7 tion 139B(a).” and inserting “section 139B(a), or”,  
8 and

9           (3) by inserting after paragraph (23) the fol-  
10 lowing new paragraph:

11           “(24) any amount which is excludible from  
12 gross income of the employee under section  
13 225A(a).”.

14       (c) TAX ON EXCESS CONTRIBUTIONS.—

15           (1) IN GENERAL.—Section 4973(a) of such  
16 Code is amended—

17           (A) in paragraph (5), by striking “or”,

18           (B) in paragraph (6), by inserting “or”  
19 after the comma, and

20           (C) by inserting after paragraph (6) the  
21 following new paragraph:

22           “(7) a first-time homebuyer savings account  
23 (within the meaning of section 225A(b)(1)).”.

1           (2) DEFINITION OF EXCESS CONTRIBUTION IN

2           4973.—Section 4973 of such Code is amended by

3           adding at the end the following new subsection:

4           “(i) EXCESS CONTRIBUTIONS TO FIRST-TIME HOME-

5 BUYER SAVINGS ACCOUNT.—For purposes of this section,

6 in the case of a first-time homebuyer savings account

7 (within the meaning of section 225A(b)(1)), the term ‘ex-

8 cess contribution’ means the amount by which the amount

9 contributed for the taxable year to such account exceeds

10 the contribution limit under 225A(c)(1).”.

11          (d) CLERICAL AMENDMENT.—The table of sections

12 for part VII of subchapter B of chapter 1 of subtitle A

13 of such Code is amended by inserting after the item relat-

14 ing to section 225 the following new item:

“Sec. 225A. First-time homebuyer savings account.”.

15          (e) EFFECTIVE DATE.—The amendments made by

16 this section shall apply to taxable years beginning after

17 the date of the enactment of this Act.

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