II

119TH CONGRESS
1ST SESSION

S. 3332

To amend the Internal Revenue Code of 1986 to increase the exclusion of gain from the sale of a principal residence, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 3, 2025

Mr. CORNYN (for himself, Mr. BENNET, Mr. DAINES, Mr. SCHIFF, Mr. BARRASSO, and Mr. KELLY) 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 increase the exclusion of gain from the sale of a principal residence, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "More Homes on the Market Act".

SEC. 2. INCREASE OF EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE.

(a) IN GENERAL.—Section 121(b) of the Internal Revenue Code of 1986 is amended—

(1) by striking ‘‘$250,000’’ and inserting ‘‘$500,000’’ each place it appears,

(2) by striking ‘‘500,000’’ and inserting ‘‘$1,000,000’’ each place it appears,

(3) in paragraph (2)(A), in the heading, by striking ‘‘$500,000’’ and inserting ‘‘$1,000,000’’, and

(4) by adding at the end the following new paragraph:

‘‘(5) ADJUSTMENT FOR INFLATION.—In the case of a taxable year beginning after 2025, the $500,000 and $1,000,000 amounts in paragraphs (1), (2), and (4) shall each be increased by an amount equal to—

‘‘(A) such dollar amount, multiplied by

‘‘(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘2024’ for ‘2016’ in subparagraph (A)(ii) thereof.

If any increase under this clause is not a multiple of $100, such increase shall be rounded to the next lowest multiple of $100.’’.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to sales and exchanges after the date of the enactment of this Act.

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