

105TH CONGRESS
2D SESSION

H. R. 3861

To amend the Internal Revenue Code of 1986 to provide, for purposes of computing the exclusion of gain on sale of a principal residence, that a member of the Armed Forces of the United States shall be treated as using property as a principal residence while away from home on extended active duty.

IN THE HOUSE OF REPRESENTATIVES

MAY 13, 1998

Mrs. LINDA SMITH of Washington (for herself and Mr. HUNTER) 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 provide, for purposes of computing the exclusion of gain on sale of a principal residence, that a member of the Armed Forces of the United States shall be treated as using property as a principal residence while away from home on extended active duty.

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 Owners Military
5 Equity Act of 1998”.

1 **SEC. 2. ARMED FORCES MEMBER TREATED AS USING PRIN-**
2 **CIPAL RESIDENCE WHILE AWAY FROM HOME**
3 **ON ACTIVE DUTY.**

4 (a) IN GENERAL.—Section 121(d) of the Internal
5 Revenue Code of 1986 (relating to special rules) is amend-
6 ed by adding at the end the following new paragraph:

7 “(9) DETERMINATION OF USE DURING PERIODS
8 OF ACTIVE DUTY WITH ARMED FORCES.—

9 “(A) IN GENERAL.—If—

10 “(i) property is used by an individual
11 as such individual’s principal residence,
12 and

13 “(ii) at any time after such use, such
14 individual (or such individual’s spouse)
15 serves for any period on extended active
16 duty with the Armed Forces of the United
17 States,

18 such individual shall be treated as using such
19 property as such individual’s principal residence
20 during any portion of such period during which
21 such individual (or spouse) is under military or-
22 ders to reside in Government quarters or to
23 serve at a duty station outside the area in
24 which such property is located.

25 “(B) EXTENDED ACTIVE DUTY.—For pur-
26 poses of this paragraph, the term ‘extended ac-

1 tive duty' means any period of active duty pur-
2 suant to a call or order to such duty for a pe-
3 riod in excess of 90 days or for an indefinite pe-
4 riod."

5 (b) EFFECTIVE DATE.—The amendment made by
6 this section shall apply to sales or exchanges after May
7 6, 1997.

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