

105TH CONGRESS
2D SESSION

S. 1799

To amend section 121 of the Internal Revenue Code of 1986 to provide that a member of the Armed Forces of the United States shall be treated as using a principal residence while away from home on extended active duty.

IN THE SENATE OF THE UNITED STATES

MARCH 19, 1998

Mr. MCCAIN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend section 121 of the Internal Revenue Code of 1986 to provide that a member of the Armed Forces of the United States shall be treated as using 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. ARMED FORCES MEMBER TREATED AS USING**
4 **PRINCIPAL RESIDENCE WHILE AWAY FROM**
5 **HOME ON ACTIVE DUTY.**

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

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

3 “(A) IN GENERAL.—A taxpayer shall be
4 treated as using property as a principal resi-
5 dence during any period the taxpayer (or the
6 taxpayer’s spouse) is serving on extended active
7 duty with the Armed Forces of the United
8 States, but only if the taxpayer used the prop-
9 erty as a principal residence for any period be-
10 fore the period of extended active duty.

11 “(B) EXTENDED ACTIVE DUTY.—For pur-
12 poses of this paragraph, the term ‘extended ac-
13 tive duty’ means any period of active duty pur-
14 suant to a call or order to such duty for a pe-
15 riod in excess of 90 days or for an indefinite pe-
16 riod.”

17 (b) EFFECTIVE DATE.—The amendment made by
18 this section shall apply to sales or exchanges after May
19 6, 1997.

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