

105TH CONGRESS
2D SESSION

S. 1911

To amend the Internal Revenue Code of 1986 to provide a \$500 nonrefundable credit to individuals for the payment of real estate taxes.

IN THE SENATE OF THE UNITED STATES

APRIL 2, 1998

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

A BILL

To amend the Internal Revenue Code of 1986 to provide a \$500 nonrefundable credit to individuals for the payment of real estate taxes.

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 “Working Middle Class
5 Tax Relief Act of 1998”.

6 **SEC. 2. NONREFUNDABLE TAX CREDIT FOR REAL ESTATE**
7 **TAXES ON PRINCIPAL RESIDENCE.**

8 (a) IN GENERAL.—Subpart A of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 (relating to nonrefundable personal credits) is
 2 amended by inserting after section 25A the following:

3 **“SEC. 25B. REAL ESTATE TAXES ON PRINCIPAL RESIDENCE.**

4 “(a) IN GENERAL.—In the case of an individual,
 5 there shall be allowed as a credit against the tax imposed
 6 by this chapter for the taxable year an amount equal to
 7 the lesser of—

8 “(1) the applicable dollar amount, or

9 “(2) the amount allowable as a deduction under
 10 section 164 (determined without regard to sub-
 11 section (c)(3) thereof) for State, local, and foreign
 12 real property taxes paid or accrued by the taxpayer
 13 on property for periods the property was owned and
 14 used by the taxpayer as the taxpayer’s principal resi-
 15 dence.

16 “(b) DEFINITIONS AND SPECIAL RULES.—For pur-
 17 poses of this section—

18 “(1) APPLICABLE DOLLAR AMOUNT.—The ap-
 19 plicable dollar amount shall be determined in accord-
 20 ance with the following table:

“For taxable years beginning in:	The dollar amount is:
1999	\$100
2000	200
2001	300
2002	400
2003 and thereafter	500.

1 “(2) PRINCIPAL RESIDENCE.—The term ‘prin-
 2 cipal residence’ has the meaning given such term by
 3 section 121, except that the period for which a
 4 dwelling unit is treated as a principal residence of
 5 the taxpayer shall include the 30-day period ending
 6 on the first day on which it would (but for this para-
 7 graph) be treated as the taxpayer’s principal resi-
 8 dence.

9 “(3) JOINT RETURN REQUIRED.—Rules similar
 10 to the rules of paragraphs (2), (3), and (4) of sec-
 11 tion 21(e) shall apply.

12 “(4) OWNERSHIP AND USE.—Rules similar to
 13 the rules of paragraphs (1), (2), (3), (4), and (7) of
 14 section 121(d) shall apply.”

15 (b) DENIAL OF DOUBLE BENEFIT.—Section 164(c)
 16 of the Internal Revenue Code of 1986 (relating to deduc-
 17 tion denied in case of certain taxes) is amended by adding
 18 at the end the following:

19 “(3) Taxes on real property to the extent of the
 20 amount of the credit allowed under section 25B.”

21 (c) CONFORMING AMENDMENT.—The table of sec-
 22 tions for subpart A of part IV of subchapter A of chapter
 23 1 of the Internal Revenue Code of 1986 is amended by
 24 inserting after the item relating to section 25A the follow-
 25 ing:

 “Sec. 25B. Real estate taxes on principal residence.”

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 1998.

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