

106TH CONGRESS
1ST SESSION

H. R. 1805

To amend the Internal Revenue Code of 1986 to allow a capital loss deduction with respect to the sale or exchange of a principal residence.

IN THE HOUSE OF REPRESENTATIVES

MAY 13, 1999

Mrs. LOWEY (for herself and Mr. GILMAN) 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 allow a capital loss deduction with respect to the sale or exchange of a principal residence.

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. CAPITAL LOSS DEDUCTION ALLOWED WITH RE-**
4 **SPECT TO SALE OR EXCHANGE OF PRINCIPAL**
5 **RESIDENCE.**

6 (a) IN GENERAL.—Subsection (c) of section 165 of
7 the Internal Revenue Code of 1986 (relating to limitation
8 on losses of individuals) is amended by striking “and” at
9 the end of paragraph (2), by striking the period at the

1 end of paragraph (3) and inserting “; and”, and by adding
2 at the end the following new paragraph:

3 “(4) losses arising from the sale or exchange of
4 the principal residence (within the meaning of sec-
5 tion 121) of the taxpayer.”

6 (b) EFFECTIVE DATE.—The amendment made by
7 subsection (a) shall apply to sales and exchanges after the
8 date of the enactment of this Act, in taxable years ending
9 after such date.

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