

107TH CONGRESS
1ST SESSION

H. R. 165

To amend the Internal Revenue Code of 1986 to adjust the exclusion amount on the gain from the sale of a principal residence for inflation.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 2001

Mr. ROYCE 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 adjust the exclusion amount on the gain from the sale of a principal residence for inflation.

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. ADJUSTMENT OF EXCLUSION AMOUNT ON GAIN**
4 **FROM SALE OF PRINCIPAL RESIDENCE FOR**
5 **INFLATION.**

6 (a) IN GENERAL.—Section 121(b) of the Internal
7 Revenue Code of 1986 (relating to limitations on exclusion
8 of gain from sale of principal residence) is amended—

9 (1) in paragraph (1) by striking “\$250,000”
10 and inserting “the limitation amount”, and

(2) in paragraph (2) by amending so much of subparagraph (A) as precedes clause (i) to read as follows:

“(A) INCREASED LIMITATION AMOUNT FOR CERTAIN JOINT RETURNS.—Paragraph (1) shall be applied by substituting ‘twice the limitation amount’ for ‘limitation amount’ if—”.

(b) LIMITATION AMOUNT.—Subsection (b) of section 121 of such Code (relating to limitations on exclusion of gain from sale of principal residence) is amended by adding at the end the following:

“(4) LIMITATION AMOUNT.—

“(A) IN GENERAL.—For purposes of this subsection, the limitation amount is \$250,000.

“(B) INFLATION ADJUSTMENT.—

“(i) IN GENERAL.—In the case of a taxable year beginning after December 31, 2001, the \$250,000 amount in subparagraph (A) shall be increased by an amount equal to—

“(I) such dollar amount, multiplied by

“(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the tax-

1 able year begins, determined by sub-
2 stituting ‘calendar year 2000’ for ‘cal-
3 endar year 1992’ in subparagraph (B)
4 thereof.

5 “(B) ROUNDING.—If any amount as ad-
6 justed under clause (i) is not a multiple of \$100
7 such amount shall be rounded to the next low-
8 est multiple of \$100.”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 2000.

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