

107TH CONGRESS
1ST SESSION

H. R. 1926

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

IN THE HOUSE OF REPRESENTATIVES

MAY 21, 2001

Mr. McINNIS 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 the capital loss deduction with respect to the sale or exchange of an individual's 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 De-
8 cember 31, 2001, in taxable years ending after such date.

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