

107TH CONGRESS
1ST SESSION

H. R. 2969

To amend the Internal Revenue Code of 1986 to restore a partial deduction for personal interest and thereby to encourage economic recovery and to avoid the need to borrow against home equity.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 2001

Ms. WATERS (for herself, Ms. ESHOO, Mr. SAWYER, Mr. HOYER, Mr. FORD, Mr. MCGOVERN, Ms. LOFGREN, Mr. MOORE, Mr. MARKEY, Ms. PELOSI, Mr. MORAN of Virginia, Mr. LANGEVIN, Mr. DEFazio, Mr. TURNER, Mr. KUCINICH, Mr. HOLT, Mrs. MALONEY of New York, Mr. REYES, Mr. PASTOR, Mr. HINOJOSA, Mrs. NAPOLITANO, Mr. LAMPSON, Mr. GONZALEZ, Mr. CLEMENT, Mr. RODRIGUEZ, Mr. CLAY, Ms. CARSON of Indiana, Mr. DAVIS of Illinois, Mr. FATTAH, Mr. BALDACCI, Mr. HOLDEN, Mr. CUMMINGS, Mr. DELAHUNT, Mr. SANDLIN, Mr. FARR of California, Mr. MATSUI, Mr. CLYBURN, Mr. THOMPSON of Mississippi, Mr. JACKSON of Illinois, Mr. WATT of North Carolina, Mr. WYNN, Ms. WOOLSEY, Mrs. MEEK of Florida, Mr. PAYNE, Ms. BROWN of Florida, Mr. OWENS, Ms. JACKSON-LEE of Texas, and Mrs. CLAYTON) 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 restore a partial deduction for personal interest and thereby to encourage economic recovery and to avoid the need to borrow against home equity.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Home Equity Loss
3 Prevention and Economic Recovery Act of 2001”.

4 **SEC. 2. RESTORATION OF PARTIAL DEDUCTION FOR PER-**
5 **SONAL INTEREST.**

6 (a) RESTORATION OF \$10,000 DEDUCTION.—

7 (1) IN GENERAL.—Paragraph (1) of section
8 163(h) of the Internal Revenue Code of 1986 is
9 amended by inserting before the period “to the ex-
10 tent such interest exceeds \$10,000”.

11 (2) INFLATION ADJUSTMENT.—Paragraph (5)
12 of section 163(h) of such Code is amended to read
13 as follows:

14 “(5) INFLATION ADJUSTMENT OF \$10,000 EX-
15 CEPTION.—In the case of any taxable year beginning
16 in a calendar year after 2002, the \$10,000 amount
17 contained in paragraph (1) shall be increased by an
18 amount equal to—

19 “(A) \$10,000, multiplied by

20 “(B) the cost-of-living adjustment deter-
21 mined under section 1(f)(3) for the calendar
22 year in which the taxable year begins, deter-
23 mined by substituting ‘calendar year 2001’ for
24 ‘calendar year 1992’ in subparagraph (B)
25 thereof.

1 Any increase determined under the preceding sen-
 2 tence shall be rounded to the nearest multiple of
 3 \$50.”

4 (b) REPEAL OF RESTRICTIONS ON DEDUCTION FOR
 5 EDUCATION LOANS.—

6 (1) IN GENERAL.—Subsection (b) of section
 7 221 of such Code (relating to relating to interest on
 8 education loans) is amended by striking subsection
 9 (b) (relating to relating to maximum deduction).

10 (2) CONFORMING AMENDMENTS.—

11 (A) Paragraph (1) of section 221(e) of
 12 such Code is amended to read as follows:

13 “(1) DENIAL OF DOUBLE BENEFIT.—No deduc-
 14 tion shall be allowed under any other provision of
 15 this chapter for any amount for which a deduction
 16 is allowed under this section.”

17 (B) Subsection (f) of section 221 of such
 18 Code is hereby repealed.

19 (c) EFFECTIVE DATE.—The amendments made by
 20 this section shall apply to taxable years ending after the
 21 date of the enactment of this Act.

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