

107TH CONGRESS
2D SESSION

H. R. 5220

To amend the Internal Revenue Code of 1986 to allow a minimum deduction for business use of a home, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 25, 2002

Mr. COLLINS (for himself and Mr. DELAY) 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 minimum deduction for business use of a home, and for other purposes.

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 “Home Office Tax Sim-
5 plification Act of 2002”.

6 **SEC. 2. MINIMUM DEDUCTION FOR BUSINESS USE OF**
7 **HOME.**

8 (a) IN GENERAL.—Subsection (c) of section 280A of
9 the Internal Revenue Code of 1986 (relating to disallow-
10 ance of certain expenses in connection with business use

1 of home, rental of vacation homes, etc.) is amended by
2 adding at the end the following new paragraph:

3 “(7) **MINIMUM DEDUCTION.**—The deductions
4 allowable by this chapter by reason of being attrib-
5 uted to a use referred to in paragraph (5) of a
6 dwelling unit (before the application of paragraph
7 (5)) shall not be less than \$2,500.”

8 (b) **EFFECTIVE DATE.**—The amendment made by
9 this section shall apply to taxable years beginning after
10 the date of the enactment of this Act.

11 **SEC. 3. REPEAL OF DEPRECIATION RECAPTURE ON SALE**
12 **OF PRINCIPAL RESIDENCE.**

13 (a) **IN GENERAL.**—Subsection (d) of section 121 of
14 the Internal Revenue Code of 1986 (relating to exclusion
15 of gain from sale of principal residence) is amended by
16 striking paragraph (6) and by redesignating paragraphs
17 (7), (8), and (9) and paragraphs (6), (7), and (8), respec-
18 tively.

19 (b) **EFFECTIVE DATE.**—The amendment made by
20 this section shall apply to sales and exchanges in taxable
21 years beginning after the date of the enactment of this
22 Act.

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