

107TH CONGRESS  
1ST SESSION

# S. 1678

To amend the Internal Revenue Code of 1986 to provide that a member of the uniformed services or the Foreign Service shall be treated as using a principal residence while away from home on qualified official extended duty in determining the exclusion of gain from the sale of such residence.

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## IN THE SENATE OF THE UNITED STATES

NOVEMBER 13, 2001

Mr. McCAIN (for himself, Mr. ALLARD, Mr. LIEBERMAN, Ms. SNOWE, Mr. LEVIN, Mr. MURKOWSKI, Mr. CLELAND, Mr. INHOFE, Ms. LANDRIEU, Mr. BURNS, Mr. DURBIN, Mr. SESSIONS, and Mr. DEWINE) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to provide that a member of the uniformed services or the Foreign Service shall be treated as using a principal residence while away from home on qualified official extended duty in determining the exclusion of gain from the sale of such residence.

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 “Military Homeowners  
3 Equity Act”.

4 **SEC. 2. MEMBER OF UNIFORMED SERVICE AND FOREIGN**  
5 **SERVICE TREATED AS USING PRINCIPAL RES-**  
6 **IDENCE WHILE AWAY FROM HOME ON QUALI-**  
7 **FIED OFFICIAL EXTENDED DUTY IN DETER-**  
8 **MINING EXCLUSION OF GAIN ON SALE OF**  
9 **SUCH RESIDENCE.**

10 (a) **IN GENERAL.**—Section 121(d) of the Internal  
11 Revenue Code of 1986 (relating to special rules) is amend-  
12 ed by adding at the end the following:

13 “(9) **DETERMINATION OF USE DURING PERIODS**  
14 **OF QUALIFIED OFFICIAL EXTENDED DUTY WITH**  
15 **UNIFORMED SERVICE OR FOREIGN SERVICE.**—

16 “(A) **IN GENERAL.**—A taxpayer shall be  
17 treated as using property as a principal resi-  
18 dence during any period—

19 (i) the taxpayer owns such property,  
20 and

21 (ii) the taxpayer (or the taxpayer’s  
22 spouse) is serving on qualified official ex-  
23 tended duty as a member of a uniformed  
24 service or of the Foreign Service,

25 but only if the taxpayer owned and used the  
26 property as a principal residence for any period

1 before the period of qualified official extended  
2 duty.

3 “(B) QUALIFIED OFFICIAL EXTENDED  
4 DUTY.—For purposes of this paragraph—

5 “(i) IN GENERAL.—The term ‘quali-  
6 fied official extended duty’ means any pe-  
7 riod of extended duty during which the  
8 member of a uniformed service or the For-  
9 eign Service is under a call or order com-  
10 pelling such duty at a duty station which  
11 is a least 50 miles from the property de-  
12 scribed in subparagraph (A) or compelling  
13 residence in Government furnished quar-  
14 ters while on such duty.

15 “(ii) EXTENDED DUTY.—The term  
16 ‘extended duty’ means any period of active  
17 duty pursuant to a call or order to such  
18 duty for a period in excess of 90 days or  
19 for an indefinite period.

20 “(C) DEFINITIONS.—For purposes of this  
21 paragraph—

22 “(i) UNIFORMED SERVICE.—The term  
23 ‘uniformed service’ has the meaning given  
24 such term by section 101(a)(5) of title 10,  
25 United States Code.

1                             “(ii) FOREIGN SERVICE OF THE  
2                             UNITED STATES.—The term ‘member of  
3                             the Foreign Service’ has the meaning given  
4                             the term ‘member of the Service’ by para-  
5                             graph (1), (2), (3), (4), or (5) of section  
6                             103 of the Foreign Service Act of 1980.”.

7                             (b) EFFECTIVE DATE.—The amendment made by  
8     this section shall apply to sales or exchanges on or after  
9     the date of the enactment of this Act.

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