

107TH CONGRESS  
1ST SESSION

# S. 48

To amend the Internal Revenue Code of 1986 to provide tax relief for the conversion of cooperative housing corporations into condominiums.

---

IN THE SENATE OF THE UNITED STATES

JANUARY 22, 2001

Mr. INOUE introduced the following bill; which was read twice and referred to the Committee on Finance

---

## A BILL

To amend the Internal Revenue Code of 1986 to provide tax relief for the conversion of cooperative housing corporations into condominiums.

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. NONRECOGNITION OF GAIN OR LOSS ON DIS-**  
4                               **TRIBUTIONS BY COOPERATIVE HOUSING**  
5                               **CORPORATIONS.**

6       (a) IN GENERAL.—Section 216(e) of the Internal  
7       Revenue Code of 1986 (relating to distributions by cooper-  
8       ative housing corporations) is amended to read as follows:

9       “(e) DISTRIBUTIONS BY COOPERATIVE HOUSING  
10       CORPORATIONS.—

1           “(1) IN GENERAL.—Except as provided in  
2 regulations—

3           “(A) no gain or loss shall be recognized to  
4 a cooperative housing corporation on the dis-  
5 tribution by such corporation of a dwelling unit  
6 to a stockholder in such corporation if such dis-  
7 tribution is in exchange for the stockholder’s  
8 stock in such corporation, and

9           “(B) no gain or loss shall be recognized to  
10 a stockholder of such corporation on the trans-  
11 fer of such stockholder’s stock in an exchange  
12 described in subparagraph (A).

13           “(2) BASIS.—The basis of a dwelling unit ac-  
14 quired in a distribution to which paragraph (1) ap-  
15 plies shall be the same as the basis of the stock in  
16 the cooperative housing corporation for which it is  
17 exchanged, decreased in the amount of any money  
18 received by the taxpayer in such exchange.”.

19           (b) EFFECTIVE DATE.—The amendment made by  
20 this section shall apply to distributions after the date of  
21 the enactment of this Act.

○