

108TH CONGRESS
2D SESSION

H. R. 4134

To amend the Internal Revenue Code of 1986 to simplify the deduction
for points paid with respect to home mortgages.

IN THE HOUSE OF REPRESENTATIVES

APRIL 2, 2004

Mr. HOUGHTON 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 simplify
the deduction for points paid with respect to home mort-
gages.

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 Mortgage Tax
5 Simplification Act of 2004”.

6 **SEC. 2. SIMPLIFICATION OF DEDUCTION FOR POINTS ON**
7 **HOME MORTGAGE.**

8 (a) IN GENERAL.—Subsection (g) of section 461 of
9 the Internal Revenue Code of 1986 (relating to prepaid

1 interest) is amended by adding at the end the following
 2 new paragraph:

3 “(3) EXCEPTION FOR CERTAIN
 4 REFINANCINGS.—

5 “(A) IN GENERAL.—This subsection shall
 6 not apply to points paid in respect of indebted-
 7 ness secured by such residence resulting from
 8 the refinancing of indebtedness meeting the re-
 9 quirements of paragraph (2) or this paragraph.

10 “(B) LIMITATION.—Subparagraph (A)
 11 shall apply only to the extent the amount of the
 12 indebtedness resulting from such refinancing
 13 does not exceed the sum of—

14 “(i) the amount of the refinanced in-
 15 debtedness, plus

16 “(ii) the lesser of \$10,000 or the
 17 points paid in respect of the indebtedness
 18 resulting from the refinancing to the ex-
 19 tent that the indebtedness resulting from
 20 the refinancing does not exceed the refi-
 21 nanced indebtedness.”.

22 (b) CONFORMING AMENDMENT.—The heading of
 23 paragraph (2) of section 461(g) of such Code is amended
 24 by inserting “based on business practice” after “Excep-
 25 tion”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2004.

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