

108TH CONGRESS
2D SESSION

H. R. 5327

To amend the Internal Revenue Code of 1986 to provide an increased exclusion of gain from the sale of a principal residence by certain widows and widowers.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 8, 2004

Mrs. LOWEY 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 provide an increased exclusion of gain from the sale of a principal residence by certain widows and widowers.

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. INCREASED EXCLUSION ON SALE OF PRIN-**
4 **CIPAL RESIDENCE BY CERTAIN WIDOWS AND**
5 **WIDOWERS.**

6 (a) IN GENERAL.—Section 121(b) of the Internal
7 Revenue Code of 1986 is amended by adding at the end
8 the following new paragraph:

1 “(4) SPECIAL RULES FOR WIDOWS AND WID-
 2 OWERS.—In the case of an unmarried individual who
 3 was married and whose marriage ceased by reason
 4 of the death of such individual’s spouse, paragraph
 5 (1) shall be applied by substituting ‘\$500,000’ for
 6 ‘\$250,000’ if—

7 “(A) such property was owned by such in-
 8 dividual or such individual’s spouse immediately
 9 before the death of such spouse,

10 “(B) the requirements of paragraphs
 11 (2)(A) and (3) would have been met if such
 12 property had been sold immediately before the
 13 death of such spouse, and

14 “(C) the sale or exchange of such property
 15 is during the 1-year period beginning on the
 16 date of the death of such spouse.”.

17 (b) CONFORMING AMENDMENT.—Section 121(c)(1)
 18 of such Code is amended by striking “or (2)” and insert-
 19 ing “, (2), or (4)”.

20 (c) EFFECTIVE DATE.—The amendments made by
 21 this section shall apply to sales and exchanges after the
 22 date of the enactment of this Act, in taxable years ending
 23 after such date.

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