

108TH CONGRESS
2D SESSION

S. 2985

To amend the Internal Revenue Code of 1986 to exclude from gross income the gain from the sale of a principal residence by certain employees of the intelligence community.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 16, 2004

Mr. ROCKEFELLER 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 exclude from gross income the gain from the sale of a principal residence by certain employees of the intelligence community.

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. EXCLUSION OF GAIN FROM SALE OF A PRIN-**
4 **CIPAL RESIDENCE BY CERTAIN EMPLOYEES**
5 **OF THE INTELLIGENCE COMMUNITY.**

6 (a) IN GENERAL.—Subparagraph (A) of section
7 121(d)(9) of the Internal Revenue Code (relating to exclu-
8 sion of gain from sale of principal residence) is amended

1 by striking “duty” and all that follows and inserting
 2 “duty—

3 “(i) as a member of the uniformed
 4 services,

5 “(ii) as a member of the Foreign
 6 Service of the United States, or

7 “(iii) as an employee of the intel-
 8 ligence community.”.

9 (b) EMPLOYEE OF INTELLIGENCE COMMUNITY DE-
 10 FINED.—Subparagraph (C) of section 121(d)(9) of the In-
 11 ternal Revenue Code of 1986 is amended by redesignating
 12 clause (iv) as clause (v) and by inserting after clause (iii)
 13 the following new clause:

14 “(iv) EMPLOYEE OF INTELLIGENCE
 15 COMMUNITY.—The term ‘employee of the
 16 intelligence community’ means an employee
 17 (as defined by section 2105 of title 5,
 18 United States Code) of—

19 “(I) the Office of the Director of
 20 Central Intelligence,

21 “(II) the Central Intelligence
 22 Agency,

23 “(III) the National Security
 24 Agency,

1 “(IV) the Defense Intelligence
2 Agency,

3 “(V) the National Geospatial-In-
4 telligence Agency,

5 “(VI) the National Reconnaiss-
6 sance Office,

7 “(VII) any other office within the
8 Department of Defense for the collec-
9 tion of specialized national intelligence
10 through reconnaissance programs,

11 “(VIII) any of the intelligence
12 elements of the Army, the Navy, the
13 Air Force, the Marine Corps, the Fed-
14 eral Bureau of Investigation, the De-
15 partment of Treasury, the Depart-
16 ment of Energy, and the Coast
17 Guard,

18 “(IX) the Bureau of Intelligence
19 and Research of the Department of
20 State, or

21 “(X) any of the elements of the
22 Department of Homeland Security
23 concerned with the analyses of foreign
24 intelligence information.”.

1 (c) SPECIAL RULE.—Subparagraph (C) of section
 2 121(d)(9) of the Internal Revenue Code of 1986, as
 3 amended by subsection (b), is amended by adding at the
 4 end the following new clause:

5 “(vi) SPECIAL RULE RELATING TO IN-
 6 TELLIGENCE COMMUNITY.—An employee
 7 of the intelligence community shall not be
 8 treated as serving on qualified extended
 9 duty unless—

10 “(I) for purposes of such duty
 11 such employee has moved from 1 duty
 12 station to another, and

13 “(II) at least 1 of such duty sta-
 14 tions is located outside of the Wash-
 15 ington, District of Columbia, and Bal-
 16 timore metropolitan statistical areas
 17 (as defined by the Secretary of Com-
 18 merce).”.

19 (d) CONFORMING AMENDMENT.—The heading for
 20 section 121(d)(9) of the Internal Revenue Code of 1986
 21 is amended to read as follows: “UNIFORMED SERVICES,
 22 FOREIGN SERVICE, AND INTELLIGENCE COMMUNITY”.

23 (e) EFFECTIVE DATE; SPECIAL RULE.—

24 (1) EFFECTIVE DATE.—The amendments made
 25 by this section shall take effect as if included in the

1 amendments made by section 312 of the Taxpayer
2 Relief Act of 1997.

3 (2) WAIVER OF LIMITATIONS.—If refund or
4 credit of any overpayment of tax resulting from the
5 amendments made by this section is prevented at
6 any time before the close of the 1-year period begin-
7 ning on the date of the enactment of this Act by the
8 operation of any law or rule of law (including res ju-
9 dicata), such refund or credit may nevertheless be
10 made or allowed if claim therefor is filed before the
11 close of such period.

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