

109TH CONGRESS
1ST SESSION

H. R. 2476

To amend the Internal Revenue Code of 1986 to exclude from gross income gain on the sale of certain residential leased-fee interests to holders of the leasehold rights.

IN THE HOUSE OF REPRESENTATIVES

MAY 19, 2005

Mr. ABERCROMBIE 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 exclude from gross income gain on the sale of certain residential leased-fee interests to holders of the leasehold rights.

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 SALES OF CERTAIN**
4 **RESIDENTIAL LEASED-FEE INTERESTS TO**
5 **HOLDERS OF THE LEASEHOLD RIGHTS.**

6 (a) GENERAL RULE.—Part III of subchapter B of
7 chapter 1 of the Internal Revenue Code of 1986 (relating
8 to items specifically excluded from gross income) is

1 amended by inserting after section 139A the following new
2 section:

3 **“SEC. 139B. SALES OF CERTAIN RESIDENTIAL LEASED-FEE**
4 **INTERESTS TO HOLDERS OF THE LEASEHOLD**
5 **RIGHTS.**

6 “(a) GENERAL RULE.—In the case of a fee simple
7 owner-lessor, and legal and equitable owners, of qualified
8 property, gross income does not include gain from the sale
9 of such property to a holder of the leasehold right if such
10 holder is—

11 “(1) a lessee of a residential house lot,

12 “(2) a lessee of a multi-family residential lease-
13 hold unit,

14 “(3) an association of apartment owners of a
15 multi-family residential leasehold property, or

16 “(4) a cooperative housing corporation for a
17 residential leasehold property.

18 “(b) QUALIFIED PROPERTY.—For purposes of sub-
19 section (a), the term ‘qualified property’ means the leased-
20 fee interest to any residential house lot or the leased-fee
21 interest in a condominium or co-operative housing apart-
22 ment in a multi-family residential leasehold property.

23 “(c) OTHER DEFINITIONS.—For purposes of sub-
24 section (b)—

