

109TH CONGRESS  
1ST SESSION

# H. R. 2980

To amend the Internal Revenue Code of 1986 to provide for the nonrecognition of gain on real property which is involuntarily converted as the result of the exercise of eminent domain, without regard to whether such property is replaced.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 17, 2005

Mr. TANCREDO introduced the following bill; which was referred to the  
Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide for the nonrecognition of gain on real property which is involuntarily converted as the result of the exercise of eminent domain, without regard to whether such property is replaced.

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 “Eminent Domain Re-  
5       lief Act”.

1 **SEC. 2. NONRECOGNITION TREATMENT FOR REAL PROP-**  
 2 **ERTY WHICH IS INVOLUNTARILY CONVERTED**  
 3 **AS A RESULT OF EXERCISE OF EMINENT DO-**  
 4 **MAIN.**

5 (a) IN GENERAL.—Section 1033 of the Internal Rev-  
 6 enue Code of 1986 (relating to involuntary conversions)  
 7 is amended by redesignating subsection (k) as subsection  
 8 (l) and by adding after subsection (j) the following new  
 9 subsection:

10 “(k) CONDEMNATION OF REAL PROPERTY.—If real  
 11 property held by the taxpayer is (as the result of its sei-  
 12 zure, requisition, or condemnation, or threat or imminence  
 13 thereof) compulsorily or involuntary converted, at the elec-  
 14 tion of the taxpayer (in such form and manner as the Sec-  
 15 retary may prescribe)—

16 “(1) no gain shall be recognized, and

17 “(2) subsections (a) and (b) shall not apply  
 18 with respect to such conversion.”.

19 (b) EFFECTIVE DATE.—The amendment made by  
 20 this section shall apply to dispositions of converted prop-  
 21 erty occurring after December 31, 2004.

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