

109TH CONGRESS  
1ST SESSION

# H. R. 348

To amend the Internal Revenue Code of 1986 to provide for an enhanced deduction for qualified residence interest on acquisition indebtedness for heritage homes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 25, 2005

Mr. PLATTS 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 an enhanced deduction for qualified residence interest on acquisition indebtedness for heritage homes.

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 “Heritage Homes Tax  
5 Incentive Act of 2005”.

1 **SEC. 2. ENHANCED DEDUCTION FOR QUALIFIED RESI-**  
 2 **DENCE INTEREST ON ACQUISITION INDEBT-**  
 3 **EDNESS FOR HERITAGE HOMES.**

4 (a) IN GENERAL.—Subsection (h) of section 163 of  
 5 the Internal Revenue Code of 1986 (relating to disallow-  
 6 ance of deduction for personal interest) is amended by  
 7 adding at the end the following new paragraph:

8 “(6) HERITAGE HOME.—

9 “(A) IN GENERAL.—In the case of quali-  
 10 fied residence interest which is paid or accrued  
 11 on acquisition indebtedness incurred with re-  
 12 spect to the heritage home of the taxpayer, the  
 13 deduction under subsection (a) shall be 125  
 14 percent of the amount otherwise allowable by  
 15 subsection (a).

16 “(B) HERITAGE HOME.—For purposes of  
 17 subparagraph (A), the term ‘heritage home’  
 18 means the principal residence of the taxpayer—

19 “(i) the construction of which was  
 20 substantially completed at least 50 years  
 21 before the beginning of the taxable year,

22 “(ii) which is a certified historic struc-  
 23 ture (as defined in section 47(c)(3)(A)),

24 “(iii) which is located in a registered  
 25 historic district (as defined in section  
 26 47(c)(3)(B)), or

1 “(iv) which is located on land which  
2 was platted for residential purposes at  
3 least 50 years prior to the beginning of the  
4 taxable year.”.

5 (b) DEDUCTION ALLOWED WHETHER OR NOT TAX-  
6 PAYER ITEMIZES DEDUCTIONS.—Subsection (a) of section  
7 62 of such Code (defining adjusted gross income) is  
8 amended by inserting after paragraph (19) (relating to  
9 costs involving discrimination suits, etc.) the following new  
10 paragraph:

11 “(21) QUALIFIED RESIDENCE INTEREST ON AC-  
12 QUISSION INDEBTEDNESS FOR HERITAGE HOMES.—  
13 The deduction under section 163 for qualified resi-  
14 dence interest on acquisition indebtedness with re-  
15 spect to the heritage home of the taxpayer. Terms  
16 used in the preceding sentence have the meanings  
17 given such terms by section 163.”

18 (c) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to taxable years beginning after  
20 the date of the enactment of this Act.

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