

109TH CONGRESS
1ST SESSION

H. R. 4608

To amend the Internal Revenue Code of 1986 to modernize the rules governing the treatment of qualifying continuing care facilities.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 16, 2005

Mr. SHAW (for himself, Mr. FOLEY, Mr. LEWIS of Kentucky, Mrs. JOHNSON of Connecticut, Mr. BOSWELL, and Mr. CALVERT) 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 modernize the rules governing the treatment of qualifying continuing care facilities.

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 “Continuing Care Sen-
5 iors Housing Act of 2005”.

6 **SEC. 2. AMENDMENTS TO THE EXCEPTION FOR CON-**
7 **TINUING CARE FACILITIES.**

8 (a) IN GENERAL.—Subsection (g) of section 7872 of
9 the Internal Revenue Code of 1986 (relating to exceptions

1 for certain loans to qualified continuing care facilities) is
2 amended to read as follows:

3 “(g) EXCEPTION FOR LOANS TO QUALIFIED CON-
4 TINUING CARE FACILITIES.—

5 “(1) IN GENERAL.—This section shall not apply
6 for any calendar year to any below-market loan
7 made by a lender to a qualified continuing care facil-
8 ity pursuant to a continuing care contract if the
9 lender (or the lender’s spouse) attains age 62 before
10 the close of such year.

11 “(2) CONTINUING CARE CONTRACT.—For pur-
12 poses of this section, the term ‘continuing care con-
13 tract’ means a written contract between an indi-
14 vidual and a qualified continuing care facility under
15 which—

16 “(A) the individual or individual’s spouse
17 may use a qualified continuing care facility for
18 their life or lives,

19 “(B) the individual or individual’s spouse
20 will be provided with housing in an independent
21 living unit (which has additional available facili-
22 ties outside such unit for the provision of meals
23 and other personal care), an assisted living fa-
24 cility, or a nursing facility, as appropriate for

1 the health of such individual or individual's
2 spouse, and

3 “(C) the individual or individual's spouse
4 will be provided assisted living or nursing care
5 as the health of such individual or individual's
6 spouse requires.

7 “(3) QUALIFIED CONTINUING CARE FACIL-
8 ITY.—

9 “(A) IN GENERAL.—For purposes of this
10 section, the term ‘qualified continuing care fa-
11 cility’ means 1 or more facilities—

12 “(i) which are designed to provide
13 services under continuing care contracts,

14 “(ii) that include an independent liv-
15 ing unit, plus an assisted living or nursing
16 facility, or both, and

17 “(iii) substantially all of the inde-
18 pendent living unit residents of which are
19 covered by continuing care contracts.

20 One or more facilities shall be treated as a
21 qualified continuing care facility for any cal-
22 endar year only if such facilities meet the re-
23 quirements of clauses (i), (ii), and (iii) at all
24 times during such year.

1 “(B) NURSING HOMES EXCLUDED.—The
2 term ‘qualified continuing care facility’ shall not
3 include any facility which is of a type which is
4 traditionally considered a nursing home.”.

5 (b) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to calendar years beginning after
7 December 31, 2005, with respect to loans made before,
8 on, or after such date.

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