

110TH CONGRESS  
1ST SESSION

# H. R. 1511

To amend the Servicemembers Civil Relief Act to provide relief with respect to rent and mortgage payments for members of the reserve components who are called to active duty and to amend the Internal Revenue Code of 1986 to allow a refundable credit to lessors for payments foregone by reason of such relief.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 13, 2007

Mr. ROHRABACHER introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Servicemembers Civil Relief Act to provide relief with respect to rent and mortgage payments for members of the reserve components who are called to active duty and to amend the Internal Revenue Code of 1986 to allow a refundable credit to lessors for payments foregone by reason of such relief.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. RELIEF WITH RESPECT TO RENT AND MORT-**  
2 **GAGE PAYMENTS FOR RESERVE COMPO-**  
3 **NENTS MEMBERS ORDERED TO ACTIVE**  
4 **DUTY.**

5 (a) RENT AND MORTGAGE RELIEF.—Title III of the  
6 Servicemembers Civil Relief Act (50 U.S.C. App. 531 et  
7 seq.) is amended by adding at the end the following new  
8 section:

9 **“SEC. 309. RENT AND MORTGAGE RELIEF.**

10 “(a) RENT.—A member of a reserve component who  
11 is ordered to report for military service for a period of  
12 more than 90 days and who on the date of such order  
13 is a lessee of real property that is occupied by the member  
14 or dependents of the member as the primary residence of  
15 the member or dependents shall not be required to pay  
16 rent under that lease for any period of such military serv-  
17 ice during which the member is assigned to duty at a loca-  
18 tion sufficiently distant from such property that the mem-  
19 ber is unable to reside at such property.

20 “(b) MORTGAGES.—

21 “(1) IN GENERAL.—A member of a reserve  
22 component who is ordered to report for military  
23 service for a period of more than 90 days and who  
24 on the date of such order resides at real property  
25 that is occupied by the member or dependents of the  
member as the primary residence of the member or

1 dependents, is owned by the member, and is secured  
2 by a mortgage shall be not be required during the  
3 period of such military service to make any payment  
4 of principal or interest on the mortgage. Any pay-  
5 ment not paid by reason of the preceding sentence  
6 shall be deferred and shall be appended, on a month-  
7 for-month basis, to the end of the term of the mort-  
8 gage, in the same amount as originally due.

9                   “(2) MORTGAGE.—In this subsection, the term  
10 ‘mortgage’ includes a trust deed or other security in  
11 the nature of a mortgage.”.

12                   (b) CLERICAL AMENDMENT.—The table of contents  
13 in section 1(b) of such Act is amended by inserting after  
14 the item relating to section 308 the following new item:

“See. 309. Rent and mortgage relief.”.

15                   (c) EFFECTIVE DATE.—Section 309 of the  
16 Servicemembers Civil Relief Act, as added by subsection  
17 (a), shall apply with respect to obligations to make lease  
18 payments or mortgage payments that become due on or  
19 after the date of the enactment of this Act.

20 **SEC. 2. REFUNDABLE TAX CREDIT FOR LESSORS WITH RE-**  
21 **SPECT TO RENT RELIEF FOR RESERVE COM-**  
22 **PONENTS MEMBERS ORDERED TO ACTIVE**  
23 **DUTY.**

24                   (a) IN GENERAL.—Subpart C of part IV of sub-  
25 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 (relating to refundable credits) is amended by redes-  
2 ignating section 36 as section 37 and by inserting after  
3 section 35 the following new section:

4 **“SEC. 36. CREDIT FOR LESSORS WITH RESPECT TO RENT**  
5 **RELIEF FOR RESERVE COMPONENTS MEM-**  
6 **BERS ORDERED TO ACTIVE DUTY.**

7 “(a) GENERAL RULE.—In the case of a lessor, there  
8 shall be allowed as a credit against the tax imposed by  
9 this chapter for the taxable year an amount equal to the  
10 reserve component rent relief credit.

11 “(b) LIMITATION BASED ON PREVIOUS RENT.—For  
12 purposes of this section—

13 “(1) IN GENERAL.—In the case of a property  
14 which was rented for the entire preceding taxable  
15 year, the amount taken into account under this sec-  
16 tion as rent not received with respect to such prop-  
17 erty shall not exceed the amount for which such  
18 property was rented for the preceding taxable year.

19 “(2) PROPERTY RENTED FOR LESS THAN FULL  
20 YEAR.—In the case of a property which was rented  
21 for less than the entire preceding taxable year, the  
22 amount taken into account under this section as  
23 rent not received with respect to such property shall  
24 not exceed the amount for which such property was  
25 rented for the preceding taxable year, annualized

1       under such methods as the Secretary may prescribe  
2       by regulation.

3           “(3) PROPERTY NOT RENTED DURING PRE-  
4       CEDING YEAR.—This subsection shall not apply in  
5       the case of a property which was not rented during  
6       the preceding taxable year.

7           “(c) RESERVE COMPONENT RENT RELIEF CRED-  
8       IT.—For purposes of subsection (a), the reserve compo-  
9       nent rent relief credit for a taxable year is the aggregate  
10      amount of rent not received on leases held by the taxpayer  
11      by reason of section 309(a) of the Servicemembers Civil  
12      Relief Act.

13           “(d) DENIAL OF DOUBLE BENEFIT.—No deduction  
14      shall be allowed under this chapter with respect to  
15      amounts taken into account in determining the credit al-  
16      lowed under this section.

17           “(e) REGULATIONS.—The Secretary shall issue such  
18      regulations as may be necessary or appropriate to carry  
19      out this section.”.

20           (b) TECHNICAL AMENDMENT.—Paragraph (2) of  
21      section 1324(b) of title 31, United States Code, is amend-  
22      ed by inserting “or from section 36 of such Code” before  
23      the period at the end.

24           (c) CLERICAL AMENDMENT.—The table of sections  
25      for subpart C of part IV of subchapter A of chapter 1

1 of the Internal Revenue Code of 1986 is amended by re-  
2 designating the item relating to section 36 as an item re-  
3 lating to section 37 and by inserting after the item relat-  
4 ing to section 35 the following new item:

“Sec. 36. Credit for lessors with respect to rent relief for reserve components  
members ordered to active duty.”.

5 (d) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to taxable years beginning after  
7 the date of the enactment of this Act.

