

110TH CONGRESS
1ST SESSION

H. R. 3764

To amend the Internal Revenue Code of 1986 to suspend the 5-year period relating to the exclusion of gain on the sale of a principal residence during a period of service with the Peace Corps.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 4, 2007

Mr. McDERMOTT (for himself and Mr. VAN HOLLEN) 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 suspend the 5-year period relating to the exclusion of gain on the sale of a principal residence during a period of service with the Peace Corps.

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 “Peace Corps Volun-
5 teers Tax Improvement Act of 2007”.

1 **SEC. 2. SUSPENSION OF 5-YEAR PERIOD DURING SERVICE**
2 **WITH THE PEACE CORPS.**

3 (a) IN GENERAL.—Subsection (d) of section 121 of
4 the Internal Revenue Code of 1986 (relating to special
5 rules) is amended by adding at the end the following new
6 paragraph:

7 “(12) PEACE CORPS.—

8 “(A) IN GENERAL.—At the election of an
9 individual with respect to a property, the run-
10 ning of the 5-year period described in sub-
11 sections (a) and (c)(1)(B) and paragraph (7) of
12 this subsection with respect to such property
13 shall be suspended during any period that such
14 individual or such individual’s spouse is serving
15 outside the United States—

16 “(i) on qualified official extended duty
17 (as defined in paragraph (9)(C)) as an em-
18 ployee of the Peace Corps, or

19 “(ii) as an enrolled volunteer or volun-
20 teer leader under section 5 or 6 (as the
21 case may be) of the Peace Corps Act (22
22 U.S.C. 2504, 2505).

23 “(B) APPLICABLE RULES.—For purposes
24 of subparagraph (A), rules similar to the rules
25 of subparagraphs (B) and (D) shall apply.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply to taxable years beginning after
3 December 31, 2007.

4 **SEC. 3. GUIDANCE WITH RESPECT TO EXPENSES WHICH**
5 **MAY BE DEDUCTED FROM GROSS INCOME.**

6 The Secretary of the Treasury, in consultation with
7 the Director of the Peace Corps, shall publish guidance
8 with respect to expenses which may be deductible from
9 gross income with respect to service as enrolled volunteers
10 or volunteer leaders under the Peace Corps Act (22 U.S.C.
11 2501 et seq.), and such guidance shall be periodically up-
12 dated when the Director of the Peace Corps and the Sec-
13 retary determine it necessary.

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