

110TH CONGRESS
2D SESSION

H. R. 5484

To amend the Internal Revenue Code of 1986 to exclude from income and employment taxes real property tax abatements for seniors and disabled individuals in exchange for services.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 2008

Mr. FRANK of Massachusetts 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 exclude from income and employment taxes real property tax abatements for seniors and disabled individuals in exchange for services.

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. EXCLUSION FROM INCOME AND EMPLOYMENT**
4 **TAXES FOR REAL PROPERTY TAX ABATE-**
5 **MENTS IN EXCHANGE FOR SERVICES.**

6 (a) INCOME TAXES.—

7 (1) IN GENERAL.—Part III of subchapter B of
8 chapter 1 of the Internal Revenue Code of 1986 (re-

1 lating to items specifically excluded from gross in-
 2 come) is amended by inserting after section 139B
 3 the following new section:

4 **“SEC. 139C. REAL PROPERTY TAX ABATEMENTS IN EX-**
 5 **CHANGE FOR SERVICES.**

6 “(a) IN GENERAL.—In the case of a qualified indi-
 7 vidual, gross income shall not include any real property
 8 tax abatement received under a State program, or a local
 9 program under specific authority of State law, in which
 10 the taxpayer receives such abatement in exchange for serv-
 11 ices.

12 “(b) QUALIFIED INDIVIDUAL.—For purposes of sub-
 13 section (a), the term ‘qualified individual’ means any indi-
 14 vidual who—

15 “(1) has attained age 60, or

16 “(2) is disabled (within the meaning of section
 17 72(m)(7)).”.

18 (2) CLERICAL AMENDMENT.—The table of sec-
 19 tions for part III of subchapter B of chapter 1 of
 20 such Code is amended by inserting after the item re-
 21 lating to section 139B the following new item:

“Sec. 139C. Real property tax abatements in exchange for services.”.

22 (b) EMPLOYMENT TAXES.—

23 (1) IN GENERAL.—Paragraph (7) of section
 24 3121(b) of such Code is amended by striking “or”
 25 at the end of subparagraph (E), by inserting “or”

1 at the end of subparagraph (F), and by inserting
2 after subparagraph (F) the following:

3 “(G) service under a State program in
4 which the taxpayer in exchange for services re-
5 ceives an abatement of real property taxes
6 which is excluded from income under section
7 139C;”.

8 (2) CONFORMING AMENDMENTS TO SOCIAL SE-
9 CURITY ACT.—Section 210(a)(7) of the Social Secu-
10 rity Act (42 U.S.C. 410(a)(7)) is amended by strik-
11 ing “or” at the end of subparagraph (E), by striking
12 the period at the end of subparagraph (F) and in-
13 serting “, or”, and by inserting after subparagraph
14 (F) the following:

15 “(G) service under a State program in
16 which the taxpayer in exchange for services re-
17 ceives an abatement of real property taxes
18 which is excluded from income under section
19 139C of the Internal Revenue Code of 1986.”.

20 (c) EFFECTIVE DATES.—

21 (1) The amendments made by subsection (a)
22 shall apply to taxable years beginning after Decem-
23 ber 31, 2007.

1 (2) The amendments made by subsection (b)
2 shall apply to service performed after December 31,
3 2007.

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