S. 2266

To amend the Internal Revenue Code to provide for an alternative test for qualifying as a cooperative housing corporation.

IN THE SENATE OF THE UNITED STATES

OCTOBER 30, 2007

Mr. Schumer introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code to provide for an alternative test for qualifying as a cooperative housing corporation.

- 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 "Cooperative Tax De-
- 5 duction Preservation Act of 2007".
- 6 SEC. 2. ALTERNATIVE TESTS FOR QUALIFYING AS COOPER-
- 7 ATIVE HOUSING CORPORATION.
- 8 (a) In General.—Subparagraph (D) of section
- 9 216(b)(1) of the Internal Revenue Code of 1986 (defining

1	cooperative housing corporation) is amended to read as
2	follows:
3	"(D) meeting 1 or more of the following
4	requirements for the taxable year in which the
5	taxes and interest described in subsection (a)
6	are paid or incurred:
7	"(i) 80 percent or more of the cor-
8	poration's gross income for such taxable
9	year is derived from tenant-stockholders.
10	"(ii) At all times during such taxable
11	year, 80 percent or more of the total
12	square footage of the corporation's prop-
13	erty is used or available for use by the ten-
14	ant-stockholders for residential purposes or
15	purposes ancillary to such residential use
16	"(iii) 90 percent or more of the ex-
17	penditures of the corporation paid or in-
18	curred during such taxable year are paid
19	or incurred for the acquisition, construc-
20	tion, management, maintenance, or care of
21	the corporation's property for the benefit
22	of the tenant-stockholders.".

- 1 (b) Effective Date.—The amendment made by
- 2 this section shall apply to taxable years ending after the

3 date of the enactment of this Act.

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