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111TH CONGRESS
1ST SESSION

H. R. 101

To amend the Internal Revenue Code of 1986 to allow all individuals, whether or not first-time homebuyers, a refundable income tax credit for the purchase of a residence during 2009 or 2010.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 2009

Mr. DREIER 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 allow all individuals, whether or not first-time homebuyers, a refundable income tax credit for the purchase of a residence during 2009 or 2010.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Economic Recovery Through Responsible Homeownership Act of 2009''.

SEC. 2. REFUNDABLE CREDIT FOR RESIDENCES PURCHASED DURING 2009 OR 2010.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by inserting after section 36 the following new section:

"SEC. 36A. GENERAL HOMEBUYER CREDIT FOR RESIDENCES PURCHASED DURING 2009 OR 2010.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual who makes an eligible purchase during the taxable year, there shall be allowed as a credit against the tax imposed by this subtitle for such taxable year an amount equal to so much of the purchase price as does not exceed the applicable amount.

"(b) APPLICABLE AMOUNT.—For purposes of subsection (a), the applicable amount is—

"(1) $10,000 in the case of an eligible purchase where the down payment is at least 15 percent of the purchase price,

"(2) $5,000 in the case of an eligible purchase where the down payment is at least 10 percent of the purchase price,

"(3) $2,000 in the case of an eligible purchase where the down payment is at least 5 percent of the purchase price, and

"(4) zero in any other case.

"(c) DEFINITIONS.—For purposes of this section—

"(1) ELIGIBLE PURCHASE.—The term 'eligible purchase' means the purchase of a residence for the taxpayer if—

"(A) such residence is located in the United States,

"(B) the construction of such residence began before 2009, and

"(C) such purchase is made by the taxpayer during 2009 or 2010.

"(2) OTHER DEFINITIONS.—The terms 'purchase' and 'purchase price' have the respective meanings given such terms by section 26(c).

"(d) EXCEPTIONS.—No credit shall be allowed under subsection (a) to any taxpayer for any taxable year with respect to the purchase of a residence if—

"(1) credit under section 36 (relating to first-time homebuyer credit) or 1400C (relating to first-time homebuyer in the District of Columbia) is allowed to the taxpayer (or the taxpayer's spouse) for such taxable year or any prior taxable year,

"(2) the residence is financed by the proceeds of a qualified mortgage issue the interest on which is exempt from tax under section 103,

"(3) the taxpayer is a nonresident alien, or

"(4) the taxpayer disposes of such residence (or such residence ceases to be a residence of the taxpayer (or, if married, the taxpayer's spouse)) before the close of such taxable year.

"(e) OTHER RULES TO APPLY.—

"(1) RELATED PERSONS.—Rules similar to the rules of section 26(c)(5) shall apply for purposes of this section.

"(2) MARRIED INDIVIDUALS FILING SEPARATE RETURNS, ETC.—Rules similar to the rules of subparagraphs (B) and (C) of section 26(b)(1) shall apply for purposes of this section.

"(3) REPORTING.—Rules similar to the rules of section 26(e) shall apply for purposes of this section.

"(f) RECAPTURE OF CREDIT.—Rules similar to the rules of section 26(f) shall apply for purposes of this section, except that—

"(1) paragraph (1) thereof shall be applied by substituting '33⅓ percent' for '6⅔ percent', and

"(2) paragraph (7) thereof shall be applied by substituting '3 years' for '15 years'.".

(b) CONFORMING AMENDMENTS.—

(1) Section 26(b)(2) of such Code is amended—

(A) in subparagraph (W)—

(i) by striking ‘‘homebuyer credit’’ and inserting ‘‘first-time homebuyer credit’’, and

(ii) by striking ‘‘and’’,

(B) by striking the period at the end of subparagraph (X) and inserting ‘‘, and’’, and

(C) by inserting after subparagraph (X) the following new subparagraph:

‘‘(Y) section 36A(f) (relating to recapture of general homebuyer credit)’’.

(2) Section 6211(b)(4)(A) of such Code is amended by inserting ‘‘36A,’’ after ‘‘36,’’.

(3) Section 1324(b)(2) of title 31, United States Code, is amended by inserting ‘‘36A,’’ after ‘‘36,’’.

(4) The table of sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 36 the following new item:

‘‘Sec. 36A. General homebuyer credit for residences purchased during 2009 or 2010.’’.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to residences purchased after December 31, 2008, in taxable years ending after such date.

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