

111TH CONGRESS  
1ST SESSION

# H. R. 674

To amend the Internal Revenue Code of 1986 to provide a one-time increase in the amount excludable from the sale of a principal residence by taxpayers who have attained age 50.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 26, 2009

Mr. FILNER introduced the following bill; which was referred to the  
Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide a one-time increase in the amount excludable from the sale of a principal residence by taxpayers who have attained age 50.

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 “Fair Taxes for Seniors  
5       Act of 2009”.

1 **SEC. 2. INCREASE IN EXCLUSION OF GAIN FROM SALE OF**  
2 **PRINCIPAL RESIDENCE BY TAXPAYERS WHO**  
3 **HAVE ATTAINED AGE 50.**

4 (a) IN GENERAL.—Subsection (b) of section 121 of  
5 the Internal Revenue Code of 1986 (relating to limitation  
6 on exclusion of gain from sale of principal residence) is  
7 amended by adding at the end the following new para-  
8 graph:

9 “(5) TAXPAYERS WHO HAVE ATTAINED AGE  
10 50.—

11 “(A) IN GENERAL.—At the election of the  
12 taxpayer who has attained the age of 50 before  
13 the date of a sale or exchange to which sub-  
14 section (a) applies—

15 “(i) paragraph (2) shall be applied by  
16 substituting ‘\$1,000,000’ for ‘\$500,000’,  
17 and

18 “(ii) paragraphs (1) and (2) shall be  
19 applied by substituting ‘\$500,000’ for  
20 ‘\$250,000’.

21 “(B) SPECIAL RULE FOR JOINT RE-  
22 TURNS.—In the case of a joint return, if one  
23 spouse satisfies the age requirement of subpara-  
24 graph (A), then both husband and wife shall be  
25 treated as satisfying such requirement.

1           “(C) APPLICATION TO ONLY ONE SALE OR  
2           EXCHANGE.—Subparagraph (A) shall not apply  
3           to any sale or exchange by the taxpayer if an  
4           election by the taxpayer or his spouse under  
5           subparagraph (A) with respect to any other sale  
6           or exchange is in effect.

7           “(D) ELECTION.—An election under sub-  
8           paragraph (A) may be made or revoked at any  
9           time before the expiration of the period for  
10          making a claim for credit or refund of the tax  
11          imposed by this chapter for the taxable year in  
12          which the sale or exchange occurred, and shall  
13          be made or revoked in such manner as the Sec-  
14          retary shall by regulations prescribe. In the  
15          case of a taxpayer who is married, an election  
16          under subparagraph (A) or a revocation thereof  
17          may be made only if his spouse joins in such  
18          election or revocation.”.

19          (b) EFFECTIVE DATE.—The amendment made by  
20          this section shall apply to sales and exchanges after the  
21          date of the enactment of this Act.

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