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115TH CONGRESS
1ST SESSION

H. R. 3659

To amend the Internal Revenue Code of 1986 to provide an exception to percentage of completion method of accounting for certain residential construction contracts.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 18, 2017

Mr. CURBELO of Florida (for himself and Mr. CROWLEY) 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 provide an exception to percentage of completion method of accounting for certain residential construction contracts.

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 ''Fair Accounting for Condominium Construction Act''.

SEC. 2. EXCEPTION TO PERCENTAGE OF COMPLETION METHOD OF ACCOUNTING FOR CERTAIN RESIDENTIAL CONSTRUCTION CONTRACTS.

(a) IN GENERAL.—Subsection (e) of section 460 of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (1)—

(A) by striking ‘‘home construction contract’’ both places it appears and inserting ‘‘residential construction contract’’; and

(B) by inserting ‘‘(in the case of a residential construction contract which is not a home construction contract, determined by substituting ‘5-year’ for ‘2-year’ in subparagraph (B)(i))’’ after ‘‘the requirements of clauses (i) and (ii) of subparagraph (B) are not met’’; and

(2) by striking paragraph (5) and redesignating paragraph (6) as paragraph (5).

(b) APPLICATION OF EXCEPTION FOR PURPOSES OF ALTERNATIVE MINIMUM TAX.—Section 56(a)(3) of such Code is amended by striking ‘‘any home construction contract (as defined in section 460(e)(6))’’ and inserting ‘‘any residential construction contract (as defined in section 460(e)(5))’’.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contracts entered into after the date of the enactment of this Act.

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