

119TH CONGRESS  
2D SESSION

# H. R. 7402

To amend the Internal Revenue Code of 1986 to allow distributions from qualified tuition programs for first home purchases, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 2026

Mr. MOORE of North Carolina 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 allow distributions from qualified tuition programs for first home purchases, and for other purposes.

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 “Unlocking Homeown-  
5 ership Act”.

1 **SEC. 2. ALLOWANCE OF DISTRIBUTIONS FROM QUALIFIED**  
2 **TUITION PROGRAMS FOR FIRST HOME PUR-**  
3 **CHASES.**

4 (a) IN GENERAL.—Section 529(c)(3) of the Internal  
5 Revenue Code of 1986 is amended by adding at the end  
6 the following new subparagraph:

7 “(F) DISTRIBUTIONS FOR FIRST HOME  
8 PURCHASES.—

9 “(i) IN GENERAL.—Subparagraph (A)  
10 shall not apply to any qualified first-time  
11 homebuyer distribution.

12 “(ii) QUALIFIED FIRST-TIME HOME-  
13 BUYER DISTRIBUTION.—For purposes of  
14 this subparagraph, the term ‘qualified  
15 first-time homebuyer distribution’ means  
16 any distribution from a qualified tuition  
17 program of a designated beneficiary which  
18 is received by such beneficiary to the ex-  
19 tent such distribution is used by the bene-  
20 ficiary before the close of the 120th day  
21 after the day on which such distribution is  
22 received to pay qualified acquisition costs  
23 with respect to a principal residence of a  
24 first-time homebuyer who is such bene-  
25 ficiary, the spouse of such beneficiary, or

1 any child, grandchild, or ancestor of such  
2 beneficiary or the beneficiary's spouse.

3 “(iii) QUALIFIED ACQUISITION  
4 COSTS.—For purposes of this subpara-  
5 graph, the term ‘qualified acquisition costs’  
6 has the meaning given that term in section  
7 72(t)(8).

8 “(iv) FIRST-TIME HOMEBUYER;  
9 OTHER DEFINITIONS.—For purposes of  
10 this subparagraph—

11 “(I) FIRST-TIME HOMEBUYER.—  
12 The term ‘first-time homebuyer’  
13 means any individual if such indi-  
14 vidual (and if married, such individ-  
15 ual's spouse) had no present owner-  
16 ship interest in a principal residence  
17 during the 2-year period ending on  
18 the date of acquisition of the principal  
19 residence to which clause (ii) applies.

20 “(II) PRINCIPAL RESIDENCE.—  
21 The term ‘principal residence’ has the  
22 same meaning as when used in section  
23 121.

24 “(III) DATE OF ACQUISITION.—  
25 The term ‘date of acquisition’ means

1 the date on which a binding contract  
2 to acquire the principal residence to  
3 which clause (ii) applies is entered  
4 into, or on which construction or re-  
5 construction of such a principal resi-  
6 dence is commenced.

7 “(v) SPECIAL RULE WHERE DELAY IN  
8 ACQUISITION.—If any distribution from a  
9 qualified tuition program fails to meet the  
10 requirements of clause (ii) solely by reason  
11 of a delay or cancellation of the purchase  
12 or construction of the residence, the  
13 amount of the distribution may be trans-  
14 ferred to another qualified tuition program  
15 of the designated beneficiary as provided in  
16 subparagraph (C)(i)(I), or an ABLE ac-  
17 count of such beneficiary as provided in  
18 subparagraph (C)(i)(III), determined by  
19 substituting ‘120 days’ for ‘60 days’ in  
20 subparagraph (C)(i), except that—

21 “(I) subparagraph (C)(iii) shall  
22 not be applied to such transfer, and

23 “(II) such amount shall not be  
24 taken into account in determining

1 whether subparagraph (C)(iii) applies  
2 to any other amount.

3 “(vi) RECONTRIBUTIONS.—

4 “(I) GENERAL RULE.—Any des-  
5 ignated beneficiary who received a  
6 qualified distribution may, during the  
7 applicable period, make one or more  
8 contributions in an aggregate amount  
9 not to exceed the amount of such  
10 qualified distribution to any qualified  
11 tuition program or ABLE account of  
12 such beneficiary to which a transfer of  
13 such distribution could be made under  
14 subclause (I) or (III) of subparagraph  
15 (C)(i).

16 “(II) TREATMENT OF REPAY-  
17 MENTS.—For purposes of this para-  
18 graph, if a contribution is made pur-  
19 suant to subclause (I) with respect to  
20 a qualified distribution, then the des-  
21 ignated beneficiary shall, to the extent  
22 of the amount of the contribution, be  
23 treated as having received the quali-  
24 fied distribution as a transfer under

1           subparagraph (C)(i) within 60 days of  
2           the distribution.

3           “(III) QUALIFIED DISTRIBUTION.—For purposes of this clause,  
4           the term ‘qualified distribution’ means  
5           any distribution which is a qualified  
6           first-time homebuyer distribution,  
7           which was to be used to purchase or  
8           construct a principal residence in a  
9           qualified disaster area but was not so  
10          used on account of the qualified dis-  
11          aster with respect to such area, and  
12          which was received during the period  
13          beginning on the date which is 180  
14          days before the first day of the inci-  
15          dent period of such qualified disaster  
16          and ending on the date which is 30  
17          days after the last day of such inci-  
18          dent period.

19          “(IV) APPLICABLE PERIOD.—For  
20          purposes of this clause, the term ‘ap-  
21          plicable period’ means, in the case of  
22          a principal residence in a qualified  
23          disaster area with respect to any  
24          qualified disaster, the period begin-  
25

1           ning on the first day of the incident  
2           period of such qualified disaster and  
3           ending on the date which is 180 days  
4           after the applicable date with respect  
5           to such disaster.

6           “(V) QUALIFIED DISASTER.—For  
7           purposes of this clause, the term  
8           ‘qualified disaster’ means any disaster  
9           with respect to which a major disaster  
10          has been declared by the President  
11          under section 401 of the Robert T.  
12          Stafford Disaster Relief and Emer-  
13          gency Assistance Act after the date of  
14          the enactment of this clause.

15          “(VI) QUALIFIED DISASTER  
16          AREA.—For purposes of this clause,  
17          the term ‘qualified disaster area’  
18          means, with respect to any qualified  
19          disaster, the area with respect to  
20          which the major disaster was declared  
21          under the Robert T. Stafford Disaster  
22          Relief and Emergency Assistance Act.

23          “(VII) INCIDENT PERIOD.—For  
24          purposes of this clause, the term ‘inci-  
25          dent period’ means, with respect to

1 any qualified disaster, the period spec-  
2 ified by the Federal Emergency Man-  
3 agement Agency as the period during  
4 which such disaster occurred.

5 “(VIII) APPLICABLE DATE.—For  
6 purposes of this clause, the term ‘ap-  
7 plicable date’ means the latest of the  
8 date of the enactment of this subpara-  
9 graph, the first day of the incident pe-  
10 riod with respect to the qualified dis-  
11 aster, or the date of the disaster dec-  
12 laration with respect to the qualified  
13 disaster.”.

14 (b) EFFECTIVE DATE.—The amendment made by  
15 this section shall apply to distributions made after the  
16 date of the enactment of this Act.

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