

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5207

To amend the Internal Revenue Code of 1986 to allow the one-time exclusion on gain from sale of a principal residence to be taken before age 55 if the taxpayer or a family member suffers a catastrophic illness.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 1994

Mr. BAKER of California 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 the one-time exclusion on gain from sale of a principal residence to be taken before age 55 if the taxpayer or a family member suffers a catastrophic illness.

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. EXCLUSION ON GAIN FROM HOME SALE TO**

4 **APPLY IF TAXPAYER OR FAMILY MEMBER**

5 **SUFFERS CATASTROPHIC ILLNESS.**

6 (a) IN GENERAL.—Paragraph (1) of section 121(a)  
7 of the Internal Revenue Code of 1986 (relating to one-  
8 time exclusion of gain from sale of principal residence by

1 individual who has attained age 55) is amended to read  
2 as follows:

3 “(1) either—

4 “(A) the taxpayer has attained the age of  
5 55 before the date of such sale or exchange, or

6 “(B) as of the date of such sale or ex-  
7 change, the taxpayer, or a parent, spouse, or  
8 child of the taxpayer—

9 “(i) is physically or mentally incapable  
10 of self-care, and

11 “(ii) has had such condition, or has  
12 been certified by a medical practitioner li-  
13 censed under State law as expecting to  
14 have such condition, for a period of at  
15 least 6 months, and”.

16 (b) CONFORMING AMENDMENTS.—

17 (1) Paragraph (1) of section 121(d) of the In-  
18 ternal Revenue Code of 1986 is amended by insert-  
19 ing “or condition” after “age” each place it appears.

20 (2)(A) The heading for section 121 of such  
21 Code is amended by striking “**WHO HAS ATTAINED**  
22 **AGE 55**” and inserting “**IN CERTAIN CASES**”.

23 (B) The item relating to section 121 in the  
24 table of sections for part III of subchapter B of  
25 chapter 1 of such Code is amended by striking “who

1 has attained age 55” and inserting “in certain  
2 cases”.

3 (3) Each of the following provisions of such  
4 Code are amended by striking “who has attained age  
5 55” and inserting “in certain cases”:

6 (A) Section 1033(h)(3).

7 (B) Section 1034(l).

8 (C) Section 1038(e)(1)(A).

9 (D) Section 1250(d)(7)(B).

10 (E) Section 6012(c).

11 (c) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply to sales or exchanges after the date  
13 of the enactment of this Act in taxable years ending after  
14 such date.

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