

103^D CONGRESS
2^D SESSION

S. 2408

To amend the Internal Revenue Code of 1986 to provide for the nonrecognition of gain on long-term real property which is involuntarily converted as the result of the exercise of eminent domain, without regard to whether the replacement property is similar or of like kind.

IN THE SENATE OF THE UNITED STATES

AUGUST 19 (legislative day, AUGUST 18), 1994

Ms. MOSELEY-BRAUN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide for the nonrecognition of gain on long-term real property which is involuntarily converted as the result of the exercise of eminent domain, without regard to whether the replacement property is similar or of like kind.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. NONRECOGNITION TREATMENT FOR CERTAIN**
2 **REAL PROPERTY INVOLUNTARILY CON-**
3 **VERTED AS RESULT OF EXERCISE OF EMI-**
4 **NENT DOMAIN.**

5 (a) IN GENERAL.—Section 1033 of the Internal Rev-
6 enue Code of 1986 (relating to involuntary conversions)
7 is amended by redesignating subsection (i) as subsection
8 (j), and by inserting after subsection (h) the following new
9 subsection:

10 “(i) CONDEMNATION OF REAL PROPERTY HELD FOR
11 AT LEAST 10 YEARS.—For purposes of subsection (a), if
12 real property held by the taxpayer for at least 10 years
13 is (as the result of its seizure, requisition, or condemna-
14 tion, or threat or imminence thereof) compulsorily or in-
15 voluntarily converted, any other property shall (at the elec-
16 tion of the taxpayer) be treated as property similar or re-
17 lated in service or use to the property so converted.”

18 (b) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to dispositions of converted prop-
20 erty occurring on or after October 1, 1991.

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