

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1660

To amend the Internal Revenue Code of 1986 to eliminate the marriage penalty under the one-time exclusion of gain on the sale of a principal residence by an individual who has attained age 55.

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IN THE HOUSE OF REPRESENTATIVES

MAY 17, 1995

Mr. NEAL of Massachusetts 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 eliminate the marriage penalty under the one-time exclusion of gain on the sale of a principal residence by an individual who has attained age 55.

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. ELIMINATION OF MARRIAGE PENALTY UNDER**  
4 **ELECTION OF ONE-TIME EXCLUSION OF GAIN**  
5 **FROM SALE OF PRINCIPAL RESIDENCE BY AN**  
6 **INDIVIDUAL WHO HAS ATTAINED AGE 55.**

7 (a) IN GENERAL.—Subsection (b) of section 121 of  
8 the Internal Revenue Code of 1986 (relating to one-time

1 exclusion of gain from sale of principal residence by an  
2 individual who has attained age 55) is amended by redese-  
3 ignating paragraph (3) as paragraph (4) and by inserting  
4 after paragraph (2) the following new paragraph:

5           “(3) DISREGARD OF CERTAIN ELECTIONS.—For  
6 purposes of applying paragraph (2) to individuals  
7 who are married to each other, an election by one  
8 individual with respect to—

9                   “(A) a sale or exchange occurring before  
10 the date of the marriage, or

11                   “(B) a sale or exchange occurring on or  
12 after such date of property owned by such indi-  
13 vidual before such date,

14 shall be disregarded for purposes of determining  
15 whether an election may be made by the other indi-  
16 vidual with respect to property owned by such other  
17 individual before such date. A separate limitation  
18 under paragraph (1) shall be allowed with respect to  
19 each election which may be made by reason of this  
20 paragraph.”

21           (b) EFFECTIVE DATE.—The amendment made by  
22 subsection (a) shall apply for purposes of determining  
23 whether an election may be made under section 121 of

- 1 the Internal Revenue Code of 1986 with respect to a sale
- 2 or exchange occurring on or after January 1, 1995.

