

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

# H. R. 5002

To amend the Internal Revenue Code of 1986 to provide that disabled individuals shall be eligible for the one-time exclusion of gain from sale of principal residence.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 19, 1994

Mrs. JOHNSON of Connecticut 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 provide that disabled individuals shall be eligible for the one-time exclusion of gain from sale of principal residence.

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. DISABLED INDIVIDUALS ELIGIBLE FOR ONE-**  
4 **TIME EXCLUSION OF GAIN FROM SALE OF**  
5 **PRINCIPAL RESIDENCE.**

6 (a) GENERAL RULE.—Paragraph (1) of section  
7 121(a) of the Internal Revenue Code of 1986 is amended  
8 to read as follows:

1           “(1) the taxpayer has attained the age of 55  
2           before the date of such sale or exchange or the tax-  
3           payer is disabled as of such date, and”.

4           (b) DISABILITY DEFINED.—Subsection (d) of section  
5 121 of such Code is amended by adding at the end thereof  
6 the following new paragraph:

7           “(10) DISABLED INDIVIDUAL.—For purposes of  
8           this section, an individual is disabled if such individ-  
9           ual—

10                   “(A) has a disability meeting the require-  
11                   ments of section 216(i)(1) of the Social Secu-  
12                   rity Act, or

13                   “(B) has a service-connected disability  
14                   rated as total by the Secretary of Veterans Af-  
15                   fairs under chapter 11 of title 38, United  
16                   States Code.”

17           (c) CONFORMING AMENDMENTS.—

18                   (1) Paragraph (1) of section 121(d) of such  
19                   Code is amended by striking “the age, holding, and  
20                   use requirements” each place it appears and insert-  
21                   ing “the requirements”.

22                   (2) The section heading for section 121 of such  
23                   Code is amended by inserting “**OR IS DISABLED**”  
24                   before the period at the end thereof.

1           (3) The table of sections for part III of sub-  
2 chapter B of chapter 1 of such Code is amended by  
3 inserting “or is disabled” before the period at the  
4 end of the item relating to section 121.

5           (4) Sections 1033(h)(3), 1034(l),  
6 1038(e)(1)(A), and 6012(c) of such Code are each  
7 amended by inserting “or is disabled” after “age  
8 55”.

9           (5) Subparagraph (B) of section 1250(d)(7) of  
10 such Code is amended—

11           (A) by striking “the age and ownership re-  
12 quirements” and inserting “the age or disability  
13 requirements, and the ownership require-  
14 ments,”, and

15           (B) by inserting “or is disabled” after  
16 “age 55”.

17           (d) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to sales or exchanges after the date  
19 of the enactment of this Act.

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