

107TH CONGRESS
1ST SESSION

H. R. 161

To amend the Internal Revenue Code of 1986 to provide that the \$500,000 exclusion of gain on the sale of a principal residence shall apply to certain sales by a surviving spouse.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 2001

Mrs. ROUKEMA (for herself, Mr. SHAYS, Mr. BENTSEN, Mr. KOLBE, Ms. MCCARTHY of Missouri, Mr. KING, Mr. MCHUGH, Mr. BARR of Georgia, Mrs. KELLY, Mrs. MORELLA, Mr. BACHUS, Mr. TANCREDO, and Mr. HORN) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide that the \$500,000 exclusion of gain on the sale of a principal residence shall apply to certain sales by a surviving spouse.

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 “Surviving Spouse Fair-
5 ness Act of 2000”.

1 **SEC. 2. \$500,000 EXCLUSION OF GAIN ON SALE OF PRIN-**
2 **CIPAL RESIDENCE BY SURVIVING SPOUSE.**

3 (a) IN GENERAL.—Paragraph (2) of section 121(d)
4 of the Internal Revenue Code of 1986 (relating to property
5 of deceased spouse) is amended to read as follows:

6 “(2) PROPERTY OF DECEASED SPOUSE.—For
7 purposes of this section, in the case of an unmarried
8 individual whose spouse is deceased on the date of
9 the sale or exchange of property—

10 “(A) IN GENERAL.—The period such un-
11 married individual owned and used such prop-
12 erty shall include the period such deceased
13 spouse owned and used such property before
14 death.

15 “(B) \$500,000 EXCLUSION IN CERTAIN
16 CASES.—At the election of such an unmarried
17 individual with respect to any property, sub-
18 section (b)(1) shall be applied by substituting
19 ‘\$500,000’ for ‘\$250,000’ if—

20 “(i) such individual is an unmarried
21 individual at all times after the date of
22 death of such deceased spouse and before
23 the date of the sale or exchange, and

24 “(ii) the requirements of clauses (i),
25 (ii), and (iii) of subsection (b)(2)(A) would
26 have been met if such sale or exchange oc-

1 curred on such date of death (whether or
2 not such requirements were in effect as of
3 such date of death).

4 In the case of property with respect to which an
5 election under this subparagraph is in effect,
6 the basis of such property in the hands of such
7 unmarried individual shall be determined with-
8 out regard to section 1014.

9 “(C) ELECTION.—The election under sub-
10 paragraph (B) shall be made not later than the
11 due date (including extensions) for the return
12 of tax imposed by this chapter for the taxable
13 year in which the sale occurred. Such an elec-
14 tion, once made, shall take effect as of such
15 date of death and may not be revoked without
16 the consent of the Secretary.”

17 (b) EFFECTIVE DATE.—The amendment made by
18 this section shall take effect as if included in the amend-
19 ments made by section 312 of the Taxpayer Relief Act
20 of 1997.

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