

110TH CONGRESS
1ST SESSION

S. 2266

To amend the Internal Revenue Code to provide for an alternative test for qualifying as a cooperative housing corporation.

IN THE SENATE OF THE UNITED STATES

OCTOBER 30, 2007

Mr. SCHUMER introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code to provide for an alternative test for qualifying as a cooperative housing corporation.

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 “Cooperative Tax De-
5 duction Preservation Act of 2007”.

6 **SEC. 2. ALTERNATIVE TESTS FOR QUALIFYING AS COOPER-**
7 **ATIVE HOUSING CORPORATION.**

8 (a) IN GENERAL.—Subparagraph (D) of section
9 216(b)(1) of the Internal Revenue Code of 1986 (defining

1 cooperative housing corporation) is amended to read as
2 follows:

3 “(D) meeting 1 or more of the following
4 requirements for the taxable year in which the
5 taxes and interest described in subsection (a)
6 are paid or incurred:

7 “(i) 80 percent or more of the cor-
8 poration’s gross income for such taxable
9 year is derived from tenant-stockholders.

10 “(ii) At all times during such taxable
11 year, 80 percent or more of the total
12 square footage of the corporation’s prop-
13 erty is used or available for use by the ten-
14 ant-stockholders for residential purposes or
15 purposes ancillary to such residential use.

16 “(iii) 90 percent or more of the ex-
17 penditures of the corporation paid or in-
18 curred during such taxable year are paid
19 or incurred for the acquisition, construc-
20 tion, management, maintenance, or care of
21 the corporation’s property for the benefit
22 of the tenant-stockholders.”.

1 (b) **EFFECTIVE DATE.**—The amendment made by
2 this section shall apply to taxable years ending after the
3 date of the enactment of this Act.

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