

103D CONGRESS  
1ST SESSION

# **S. 198**

To amend the Internal Revenue Code of 1986 to provide that the one-time exclusion of gain from sale of a principal residence shall not be precluded because the taxpayer's spouse, before becoming married to the taxpayer, elected the exclusion.

---

## IN THE SENATE OF THE UNITED STATES

JANUARY 26 (legislative day, JANUARY 5), 1993

Mr. HELMS 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 that the one-time exclusion of gain from sale of a principal residence shall not be precluded because the taxpayer's spouse, before becoming married to the taxpayer, elected the exclusion.

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. ELECTION BY TAXPAYER OF ONE-TIME EXCLU-**  
2 **SION OF GAIN ON SALE OF PRINCIPAL RESI-**  
3 **DENCE ALLOWED EVEN IF TAXPAYER'S**  
4 **SPOUSE ELECTED THE EXCLUSION BEFORE**  
5 **BECOMING MARRIED TO TAXPAYER.**

6 (a) IN GENERAL.—Paragraph (2) of section 121(b)  
7 of the Internal Revenue Code of 1986 (relating to one-  
8 time exclusion of gain from sale of principal residence by  
9 individual who has attained age 55) is amended to read  
10 as follows:

11 “(2) APPLICATION TO ONLY ONE SALE OR EX-  
12 CHANGE.—Subsection (a) shall not apply to any sale  
13 or exchange if—

14 “(A) in the case of an unmarried individ-  
15 ual, an election by such individual under sub-  
16 section (a) with respect to any other sale or ex-  
17 change is in effect, or

18 “(B) in the case of married individuals, an  
19 election by each such individual under sub-  
20 section (a) with respect to any other sale or ex-  
21 change is in effect.”.

22 (b) TECHNICAL AMENDMENT.—Paragraph (2) of  
23 section 121(d) of such Code is amended to read as follows:

24 “(2) PROPERTY OF DECEASED SPOUSE.—For  
25 purposes of this section, in the case of an unmarried  
26 individual whose spouse is deceased on the date of

1 the sale or exchange of property, if the deceased  
2 spouse (during the 5-year period ending on the date  
3 of the sale or exchange) satisfied the holding and  
4 use requirements of subsection (a)(2) with respect to  
5 such property, then such individual shall be treated  
6 as satisfying the holding and use requirements of  
7 subsection (a)(2) with respect to such property.”.

8 (c) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to sales and exchanges after the  
10 date of the enactment of this Act.

○