

103^D 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.

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