

103D CONGRESS  
1ST SESSION

# S. 199

To amend the Internal Revenue Code of 1986 to allow the one-time exclusion on gain from sale of a principal residence to be taken before age 55 if the taxpayer or a family member suffers a catastrophic illness.

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## 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

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## A BILL

To amend the Internal Revenue Code of 1986 to allow the one-time exclusion on gain from sale of a principal residence to be taken before age 55 if the taxpayer or a family member suffers a catastrophic illness.

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. EXCLUSION ON GAIN FROM HOME SALE TO**  
4 **APPLY IF TAXPAYER OR FAMILY MEMBER**  
5 **SUFFERS CATASTROPHIC ILLNESS.**

6 (a) IN GENERAL.—Paragraph (1) of section 121(a)  
7 of the Internal Revenue Code of 1986 (relating to one-  
8 time exclusion of gain from sale of principal residence by

1 individual who has attained age 55) is amended to read  
 2 as follows:

3 “(1) either—

4 “(A) the taxpayer has attained the age of  
 5 55 before the date of such sale or exchange, or

6 “(B) as of the date of such sale or ex-  
 7 change, the taxpayer, or a parent, spouse, or  
 8 child of the taxpayer—

9 “(i) is physically or mentally incapable  
 10 of self-care, and

11 “(ii) has had such condition, or has  
 12 been certified by a medical practitioner li-  
 13 censed under State law as expecting to  
 14 have such condition, for a period of at  
 15 least 6 months, and”.

16 (b) CONFORMING AMENDMENTS.—

17 (1) Paragraph (1) of section 121(d) of the In-  
 18 ternal Revenue Code of 1986 is amended by insert-  
 19 ing “or condition” after “age” each place it appears.

20 (2)(A) The heading for section 121 of such  
 21 Code is amended by striking “**WHO HAS ATTAINED**  
 22 **AGE 55**” and inserting “**IN CERTAIN CASES**”.

23 (B) The item relating to section 121 in the  
 24 table of sections for part III of subchapter B of  
 25 chapter 1 of such Code is amended by striking “who

1       has attained age 55” and inserting “in certain  
2       cases”.

3           (3) Each of the following provisions of such  
4       Code are amended by striking “who has attained age  
5       55” and inserting “in certain cases”:

6           (A) Section 1033(h)(3).

7           (B) Section 1034(l).

8           (C) Section 1038(e)(1)(A).

9           (D) Section 1250(d)(7)(B).

10          (E) Section 6012(c).

11       (c) EFFECTIVE DATE.—The amendments made by  
12       this section shall apply to sales or exchanges after the date  
13       of the enactment of this Act in taxable years ending after  
14       such date.

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