

.....
(Original Signature of Member)

116TH CONGRESS
1ST SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to allow for nonrecognition of gain on real property sold for use as affordable housing.

IN THE HOUSE OF REPRESENTATIVES

Mr. SCHIFF introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to allow for nonrecognition of gain on real property sold for use as affordable housing.

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 “Affordable Housing
5 Incentives Act of 2019”.

1 **SEC. 2. NONRECOGNITION OF GAIN ON PROPERTY SOLD TO**
2 **PUBLIC HOUSING AGENCIES FOR USE AS AF-**
3 **FORDABLE HOUSING.**

4 (a) IN GENERAL.—Section 1033 of the Internal Rev-
5 enue Code of 1986 is amended by redesignating subsection
6 (k) as subsection (l) and by inserting after subsection (j)
7 the following new subsection:

8 “(k) SALES TO PUBLIC HOUSING AGENCIES FOR
9 USE AS AFFORDABLE HOUSING.—

10 “(1) IN GENERAL.—For purposes of this sub-
11 title, if real property is sold or otherwise transferred
12 to a public housing agency (as such term is defined
13 in section 3(b)(6) of the United States Housing Act
14 of 1937) for use or development by such agency as
15 affordable housing to carry out the mandate (relat-
16 ing to affordable housing) of such agency, such sale
17 or transfer shall be treated as an involuntary conver-
18 sion to which this section applies.

19 “(2) SPECIAL RULE WITH RESPECT TO PERIOD
20 WITHIN WHICH PROPERTY MUST BE REPLACED.—In
21 the case of a sale or transfer described in paragraph
22 (1), subsection (a)(2)(B)(i) shall be applied by sub-
23 stituting ‘3 years’ for ‘2 years’.

24 “(3) SPECIAL RULE FOR REAL PROPERTY HELD
25 FOR PRODUCTIVE USE IN TRADE OR BUSINESS.—
26 For purposes of subsection (a), if the real property

1 described in paragraph (1) is held for productive use
2 in a trade or business or for investment, property of
3 a like kind to be held either for productive use in a
4 trade or business or for investment shall be treated
5 as property similar or related in service or use to the
6 property so described.”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 this section shall apply to sales and transfers made after
9 the date of the enactment of this Act.