

116TH CONGRESS
1ST SESSION

H.R. 4239

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

SEPTEMBER 6, 2019

Mr. SCHIFF introduced the following bill; which was referred to the Committee on Ways and Means

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”.

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

9 (a) **IN GENERAL.**—Section 1033 of the Internal Rev-
10 enue Code of 1986 is amended by redesignating subsection

1 (k) as subsection (l) and by inserting after subsection (j)
2 the following new subsection:

3 “(k) SALES TO PUBLIC HOUSING AGENCIES FOR
4 USE AS AFFORDABLE HOUSING.—

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

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

19 “(3) SPECIAL RULE FOR REAL PROPERTY HELD
20 FOR PRODUCTIVE USE IN TRADE OR BUSINESS.—
21 For purposes of subsection (a), if the real property
22 described in paragraph (1) is held for productive use
23 in a trade or business or for investment, property of
24 a like kind to be held either for productive use in a
25 trade or business or for investment shall be treated

1 as property similar or related in service or use to the
2 property so described.”.

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

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