

118TH CONGRESS
2D SESSION

S. 3673

To amend the Internal Revenue Code of 1986 to impose a tax on the purchase of single-family homes by certain large investors, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 25, 2024

Mr. REED (for himself, Ms. SMITH, Mrs. GILLIBRAND, Mr. BLUMENTHAL, Ms. KLOBUCHAR, Mr. FETTERMAN, and Ms. BALDWIN) 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 impose a tax on the purchase of single-family homes by certain large investors, and for other purposes.

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 and Homeownership Protection Act of 2024”.

1 **SEC. 2. TAX ON CERTAIN INVESTOR PURCHASES OF SIN-**
2 **GLE-FAMILY HOMES.**

3 (a) IN GENERAL.—Chapter 36 of the Internal Rev-
4 enue Code of 1986 is amended by adding at the end the
5 following new subchapter:

6 **“Subchapter G—Certain Home Purchases**
7 **“SEC. 4499. TAX ON CERTAIN INVESTOR PURCHASES OF**
8 **SINGLE-FAMILY HOMES.**

9 “(a) IN GENERAL.—There is hereby imposed on each
10 covered investor a tax equal to the applicable percentage
11 of the purchase price paid by such covered investor with
12 respect to any covered home purchase during the taxable
13 year.

14 “(b) APPLICABLE PERCENTAGE.—For purposes of
15 subsection (a), the applicable percentage is—

16 “(1) 1 percent in the case of a medium-sized in-
17 vestor,

18 “(2) 3 percent in the case of a large investor,
19 and

20 “(3) 5 percent in the case of a giant investor.

21 “(c) COVERED INVESTOR.—For purposes of this sec-
22 tion—

23 “(1) IN GENERAL.—The term ‘covered investor’
24 means any person, other than a person described in
25 paragraph (6), who is a medium-sized investor, large
26 investor, or giant investor.

1 “(2) MEDIUM-SIZED INVESTOR.—The term ‘me-
2 dium-sized investor’ means any person who owns
3 more than 15 and not more than 25 single-family
4 homes as of the last day of the taxable year.

5 “(3) LARGE INVESTOR.—The term ‘large inves-
6 tor’ means any person who owns more than 25 and
7 not more than 100 single-family homes as of the last
8 day of the taxable year.

9 “(4) GIANT INVESTOR.—The term ‘giant inves-
10 tor’ means any person who owns more than 100 sin-
11 gle-family homes as of the last day of the taxable
12 year.

13 “(5) NEW CONSTRUCTION EXCLUDED.—Any
14 new single-family home which is constructed by the
15 taxpayer shall not be taken into account for pur-
16 poses of this subsection, unless such single-family
17 home replaces a previous single-family home on the
18 same site which was purchased by the taxpayer and
19 replaced with the newly constructed single-family
20 home.

21 “(6) EXCEPTIONS.—A person described in this
22 paragraph is—

23 “(A) any organization which is exempt
24 from taxation under section 501(a), the pri-
25 mary purpose of which is related to affordable

1 housing, housing counseling, or neighborhood
2 stabilization,

3 “(B) any State or political subdivision
4 thereof,

5 “(C) any public housing authority or its in-
6 strumentalities,

7 “(D) any land bank, or

8 “(E) any community land trust.

9 “(d) TERMS RELATING TO HOME PURCHASE, ETC.—

10 For purposes of this section—

11 “(1) COVERED HOME PURCHASE.—

12 “(A) IN GENERAL.—The term ‘covered
13 home purchase’ means the purchase of a single-
14 family home by a covered investor.

15 “(B) NEW CONSTRUCTION.—The construc-
16 tion of a new single-family home by the tax-
17 payer shall not be treated as a purchase, unless
18 such new single-family home is taken into ac-
19 count for purposes of subsection (c) by reason
20 of paragraph (5) thereof.

21 “(2) PURCHASE PRICE.—The term ‘purchase
22 price’ means the total amount paid, including the
23 amount of any indebtedness incurred or assumed, by
24 the taxpayer to acquire a single-family home from
25 the seller.

1 “(3) SINGLE-FAMILY HOME.—The term ‘single-
2 family home’ has the meaning given such term by
3 section 81.2 of title 24, Code of Federal Regula-
4 tions.

5 “(4) OWN.—The term ‘own’ means directly or
6 indirectly possessing a majority interest in a single-
7 family home.

8 “(e) AGGREGATION RULES.—

9 “(1) IN GENERAL.—Except as otherwise pro-
10 vided in paragraph (2), all persons treated as a sin-
11 gle employer under subsection (a) or (b) of section
12 52, or subsection (m) or (o) of section 414, shall be
13 treated as 1 person for purposes of this section.

14 “(2) MODIFICATIONS.—For purposes of this
15 subsection—

16 “(A) section 52(a) shall be applied by sub-
17 stituting ‘component members’ for ‘members’,
18 and

19 “(B) for purposes of applying section
20 52(b), the term ‘trade or business’ shall include
21 any activity treated as a trade or business
22 under paragraph (5) or (6) of section 469(c)
23 (determined without regard to the phrase ‘To
24 the extent provided in regulations’ in such para-
25 graph (6)).

1 “(3) COMPONENT MEMBER.—For purposes of
2 paragraph (2), the term ‘component member’ has
3 the meaning given such term by section 1563(b), de-
4 termined without regard to paragraph (2) thereof.

5 “(f) REPORTING.—Each person who is a covered in-
6 vestor for the taxable year shall attach to the return of
7 the tax imposed by this section a report containing infor-
8 mation, in such form as the Secretary shall prescribe,
9 on—

10 “(1) the number of single-family homes owned
11 on the last day of the taxable year by such person,
12 and

13 “(2) the number of single-family homes pur-
14 chased by such person during the taxable year.”.

15 (b) CLERICAL AMENDMENT.—The table of sub-
16 chapters for chapter 36 of the Internal Revenue Code of
17 1986 is amended by adding at the end the following new
18 item:

 “SUBCHAPTER G—CERTAIN HOME PURCHASES”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 2023.

22 **SEC. 3. REVENUES.**

23 The Secretary of the Treasury shall allocate or other-
24 wise transfer such revenues resulting from the tax im-

1 posed by section 4499 of the Internal Revenue Code of
2 1986 as follows:

3 (1) 65 percent of such amounts to the Sec-
4 retary of Housing and Urban Development to pro-
5 vide additional funding for the Housing Trust Fund
6 established under section 1338(a) of the Federal
7 Housing Enterprises Financial Safety and Sound-
8 ness Act of 1992 (12 U.S.C. 4568(a)).

9 (2) 35 percent of such amounts to provide addi-
10 tional funding for the Capital Magnet Fund estab-
11 lished under section 1339(a) of the Federal Housing
12 Enterprises Financial Safety and Soundness Act of
13 1992 (12 U.S.C. 4569(a)).

14 **SEC. 4. HOUSING TRUST FUND SMALL STATE MINIMUM.**

15 Section 1338(c)(4)(C) of the Federal Housing Enter-
16 prises Financial Safety and Soundness Act of 1992 (12
17 U.S.C. 4568(c)(4)(C)) is amended by striking
18 “\$3,000,000” each place that term appears and inserting
19 “\$7,000,000”.

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