

114TH CONGRESS  
1ST SESSION

# H. R. 3975

To amend the Internal Revenue Code of 1986 to allow a credit for veteran first-time homebuyers and for adaptive housing and mobility improvements for disabled veterans, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 5, 2015

Mr. LANGEVIN (for himself, Mr. COOK, and Ms. TITUS) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow a credit for veteran first-time homebuyers and for adaptive housing and mobility improvements for disabled veterans, 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 “Veterans Homebuyer  
5 Accessibility Act of 2015”.

6 **SEC. 2. VETERAN FIRST-TIME HOMEBUYER TAX CREDIT.**

7 (a) IN GENERAL.—Section 36(a) of the Internal Rev-  
8 enue Code of 1986 is amended to read as follows:

1       “(a) ALLOWANCE OF CREDIT.—In the case of an eli-  
2 gible veteran who purchases a principal residence in the  
3 United States during the taxable year, there shall be al-  
4 lowed as a credit against the tax imposed by this subtitle  
5 for such taxable year an amount equal to 10 percent of  
6 the purchase price of the residence.”.

7       (b) ADDITIONAL LIMITATION FOR ADAPTIVE HOUS-  
8 ING IMPROVEMENTS.—Section 36(b)(1) of such Code is  
9 amended by redesignating subparagraphs (B), (C), and  
10 (D) as subparagraphs (C), (D), and (E), respectively, and  
11 by inserting after subparagraph (A) the following new sub-  
12 paragraph:

13               “(B) SPECIAL RULE FOR ADAPTIVE HOUS-  
14               ING IMPROVEMENTS.—In the case of a principal  
15               residence with special fixtures or movable facili-  
16               ties made necessary by the nature of the dis-  
17               ability of the veteran, if such fixtures and facili-  
18               ties are—

19                       “(i) provided to the veteran pursuant  
20                       to specially adapted housing assistance  
21                       under chapter 17 or 21 of title 38, United  
22                       States Code, or

23                       “(ii) similar to such fixtures and fa-  
24                       cilities that would be provided to the vet-

1           eran if the veteran received such assist-  
2           ance,  
3           then subparagraph (A) shall be increased by the  
4           lesser of \$8,000 or the portion of the purchase  
5           price of the principal residence attributable  
6           such fixtures or movable facilities.”.

7           (c) ELIGIBLE VETERAN.—

8           (1) IN GENERAL.—Section 36(c)(1) of such  
9           Code is amended by striking “FIRST-TIME HOME-  
10          BUYER.—The term ‘first time homebuyer’ means  
11          any individual” and inserting “ELIGIBLE VET-  
12          ERAN.—The term ‘eligible veteran’ means any indi-  
13          vidual who is a veteran (as defined in section 101(2)  
14          of title 38, United States Code)”.

15          (2) LONG-TIME RESIDENT.—Section 36(c)(6) of  
16          such Code is amended by striking “treated as a  
17          first-time homebuyer” and inserting “treated as  
18          meeting the no present ownership interest require-  
19          ment of paragraph (1)”.

20          (d) RECAPTURE OF CREDIT.—Section 36(f) of such  
21          Code is amended to read as follows:

22          “(f) RECAPTURE OF CREDIT.—

23                  “(1) IN GENERAL.—If a taxpayer disposes of  
24                  the principal residence with respect to which a credit  
25                  was allowed under subsection (a) (or such residence

1 ceases to be the principal residence of the taxpayer  
2 (and, if married, the taxpayer's spouse)) before the  
3 end of the 36-month period beginning on the date of  
4 the purchase of such residence by the taxpayer the  
5 tax imposed by this chapter for the taxable year of  
6 such disposition or cessation shall be increased by  
7 the amount of the credit so allowed.

8 “(2) EXCEPTIONS.—

9 “(A) DEATH OF TAXPAYER.—Paragraph  
10 (1) shall not apply to any taxable year ending  
11 after the date of the taxpayer's death.

12 “(B) INVOLUNTARY CONVERSION.—Para-  
13 graph (1) shall not apply in the case of a resi-  
14 dence which is compulsorily or involuntarily  
15 converted (within the meaning of section  
16 1033(a)) if the taxpayer acquires a new prin-  
17 cipal residence during the 2-year period begin-  
18 ning on the date of the disposition or cessation  
19 referred to in paragraph (1). Paragraph (1)  
20 shall apply to such new principal residence dur-  
21 ing the 36-month period referred to therein in  
22 the same manner as if such new principal resi-  
23 dence were the converted residence.

24 “(C) TRANSFERS BETWEEN SPOUSES OR  
25 INCIDENT TO DIVORCE.—In the case of a trans-

1           fer of a residence to which section 1041(a) ap-  
2           plies—

3                   “(i) paragraph (1) shall not apply to  
4                   such transfer, and

5                   “(ii) in the case of taxable years end-  
6                   ing after such transfer, paragraph (1) shall  
7                   apply to the transferee in the same manner  
8                   as if such transferee were the transferor  
9                   (and shall not apply to the transferor).

10                   “(D) SPECIAL RULE FOR MEMBERS OF  
11                   THE ARMED FORCES, ETC.—

12                   “(i) IN GENERAL.—In the case of the  
13                   disposition of a principal residence by an  
14                   individual (or a cessation referred to in  
15                   paragraph (1)) in connection with Govern-  
16                   ment orders received by such individual, or  
17                   such individual’s spouse, for qualified offi-  
18                   cial extended duty service, paragraph (1)  
19                   shall not apply to such disposition (or ces-  
20                   sation).

21                   “(ii) QUALIFIED OFFICIAL EXTENDED  
22                   DUTY SERVICE.—For purposes of this sec-  
23                   tion, the term ‘qualified official extended  
24                   duty service’ means service on qualified of-  
25                   ficial extended duty as—

1                   “(I) a member of the uniformed  
2                   services,

3                   “(II) a member of the Foreign  
4                   Service of the United States, or

5                   “(III) an employee of the intel-  
6                   ligence community.

7                   “(iii) DEFINITIONS.—Any term used  
8                   in this subparagraph which is also used in  
9                   paragraph (9) of section 121(d) shall have  
10                  the same meaning as when used in such  
11                  paragraph.

12                  “(3) JOINT RETURNS.—In the case of a credit  
13                  allowed under subsection (a) with respect to a joint  
14                  return, half of such credit shall be treated as having  
15                  been allowed to each individual filing such return for  
16                  purposes of this subsection.

17                  “(4) RETURN REQUIREMENT.—If the tax im-  
18                  posed by this chapter for the taxable year is in-  
19                  creased under this subsection, the taxpayer shall,  
20                  notwithstanding section 6012, be required to file a  
21                  return with respect to the taxes imposed under this  
22                  subtitle.”.

23                  (e) APPLICATION OF CREDIT.—Section 36(h) of such  
24                  Code is amended to read as follows:

1       “(h) TERMINATION.—This section shall not apply to  
2 any residence purchased after December 31, 2017.”.

3       (f) ASSIGNMENT OF CREDIT IN CASE OF CONSTRU-  
4 TION.—Section 36 of such Code is amended by adding at  
5 the end the following new subsection:

6       “(i) CREDIT MAY BE ASSIGNED.—

7               “(1) IN GENERAL.—In the case of a residence  
8 constructed by the taxpayer, if such taxpayer elects  
9 the application of this subsection for any taxable  
10 year, any portion of the credit determined under this  
11 section which is attributable to an increase under  
12 subparagraph (B) of subsection (b)(1) for such year  
13 which would (but for this subsection) be allowable to  
14 the taxpayer may be assigned to any person who is  
15 an eligible designee. The person so designated shall  
16 be allowed the amount of the credit so assigned and  
17 shall be treated as the taxpayer with respect to such  
18 credit for purposes of this title (other than this  
19 paragraph), except that such credit shall be treated  
20 as a credit listed in section 38(b) for such taxable  
21 year (and not allowed under subsection (a)).

22               “(2) ELIGIBLE DESIGNEE.—For purposes of  
23 paragraph (1), the term ‘eligible designee’ means  
24 any person who, with respect to the residence, pro-  
25 vides or installs any improvements, special fixtures,

1 or movable facilities to which the credit is attrib-  
2 utable under subparagraph (B) of subsection (b)(1).

3 “(3) ELECTION REQUIREMENTS.—Any election  
4 under paragraph (1) shall include such information  
5 and shall be made at such time, and in such form  
6 and manner, as the Secretary shall by regulation  
7 prescribe.”.

8 (g) CONFORMING AMENDMENTS.—

9 (1) Section 38(b) of such Code is amended by  
10 striking “plus” at the end of paragraph (35), by  
11 striking the period at the end of paragraph (36) and  
12 inserting “, plus”, and by adding at the end the fol-  
13 lowing new paragraph:

14 “(37) the portion of the veteran first-time  
15 homebuyer credit assigned to the taxpayer to which  
16 the second sentence of section 36(i)(1) applies,”.

17 (2) The heading for section 1400C(e)(4) of  
18 such Code is amended by striking “NATIONAL FIRST-  
19 TIME HOMEBUYERS CREDIT” and inserting “VET-  
20 ERAN FIRST-TIME HOMEBUYERS CREDIT”.

21 (h) CLERICAL AMENDMENTS.—

22 (1) The heading for section 36 of such Code is  
23 amended to read as follows:

1 **“SEC. 36. VETERAN FIRST-TIME HOMEBUYER CREDIT.”.**

2 (2) The item relating to section 36 in the table  
3 of sections for subpart C of part IV of subchapter  
4 A of chapter 1 of such Code is amended to read as  
5 follows:

“Sec. 36. Veteran first-time homebuyer credit.”.

6 (i) **EFFECTIVE DATE.**—The amendments made by  
7 this section shall apply to residences purchased after the  
8 date of the enactment of this Act.

9 **SEC. 3. VETERAN HOME MOBILITY IMPROVEMENT CREDIT.**

10 (a) **IN GENERAL.**—Subpart C of part IV of sub-  
11 chapter A of chapter 1 of the Internal Revenue Code of  
12 1986 is amended by inserting before section 37 the fol-  
13 lowing new section:

14 **“SEC. 36C. VETERAN HOME MOBILITY IMPROVEMENT**  
15 **CREDIT.**

16 “(a) **IN GENERAL.**—In the case of a veteran, there  
17 shall be allowed as a credit against the tax imposed by  
18 this subtitle for any taxable year an amount equal to the  
19 amount paid or incurred by the taxpayer for qualified  
20 adaptive housing improvements for the taxable year.

21 “(b) **LIMITATION.**—The credit allowed under sub-  
22 section (a) shall not exceed \$8,000.

23 “(c) **QUALIFIED ADAPTIVE HOUSING IMPROVE-**  
24 **MENT.**—For purposes of this section, the term ‘qualified  
25 adaptive housing improvement’ means special fixtures or

1 movable facilities with respect to the principal residence  
2 of the veteran which are made necessary by the nature  
3 of the disability of the veteran, if such fixtures and facili-  
4 ties are—

5 “(1) provided to the veteran pursuant to spe-  
6 cially adapted housing assistance under chapter 17  
7 or 21 of title 38, United States Code, or

8 “(2) similar to such fixtures and facilities that  
9 would be provided to the veteran if the veteran re-  
10 ceived such assistance.

11 “(d) CREDIT MAY BE ASSIGNED.—

12 “(1) IN GENERAL.—If the taxpayer elects the  
13 application of this subsection for any taxable year,  
14 any portion of the credit under this section for such  
15 year which would (but for this subsection) be allow-  
16 able to the taxpayer may be assigned to any person  
17 who is an eligible designee. The person so designated  
18 shall be allowed the amount of the credit so assigned  
19 and shall be treated as the taxpayer with respect to  
20 such credit for purposes of this title (other than this  
21 paragraph), except that such credit shall be treated  
22 as a credit listed in section 38(b) for such taxable  
23 year (and not allowed under subsection (a)).

24 “(2) ELIGIBLE DESIGNEE.—For purposes of  
25 paragraph (1), the term ‘eligible designee’ means

1 any person who, with respect to the residence, pro-  
2 vides or installs any qualified adaptive housing im-  
3 provements to which the credit under this section is  
4 attributable.

5 “(3) ELECTION REQUIREMENTS.—Any election  
6 under paragraph (1) shall include such information  
7 and shall be made at such time, and in such form  
8 and manner, as the Secretary shall by regulation  
9 prescribe.”.

10 (b) CONFORMING AMENDMENTS.—

11 (1) Section 1324(b)(2) of title 31, United  
12 States Code, is amended by inserting “36C,” after  
13 “36B,”.

14 (2) Section 38(b) of the Internal Revenue Code  
15 of 1986, as amended by section 2, is amended by  
16 striking “plus” at the end of paragraph (36), by  
17 striking the period at the end of paragraph (37) and  
18 inserting “, and”, and by adding at the end the fol-  
19 lowing new paragraph:

20 “(38) the portion of the veteran home mobility  
21 improvement credit assigned to the taxpayer to  
22 which the second sentence of section 36C(d)(1) ap-  
23 plies.”.

24 (3) The table of sections for subpart C of part  
25 IV of subchapter A of chapter 1 of the Internal Rev-

1        enue Code of 1986 is amended by inserting before  
2        the item relating to section 37 the following new  
3        item:

      “Sec. 36C. Veteran home mobility improvement credit.”.

4        (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to taxable years beginning after  
6 December 31, 2014.

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