

112<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6627

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

DECEMBER 3, 2012

Mr. LANGEVIN 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 2012”.

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

2 (a) IN GENERAL.—Subsection (a) of section 36 of the  
3 Internal Revenue Code of 1986 is amended to read as fol-  
4 lows:

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

11 (b) ADDITIONAL LIMITATION FOR ADAPTIVE HOUS-  
12 ING IMPROVEMENTS.—Paragraph (1) of section 36(b) of  
13 such Code is amended by redesignating subparagraphs  
14 (B), (C), and (D) as subparagraphs (C), (D), and (E),  
15 respectively, and by inserting after subparagraph (A) the  
16 following new subparagraph:

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

23 “(i) provided to the veteran pursuant  
24 to specially adapted housing assistance  
25 under chapter 21 of title 38, United States  
26 Code, or

1                   “(ii) similar to such fixtures and fa-  
2                   cilities that would be provided to the vet-  
3                   eran if the veteran received such assist-  
4                   ance,

5                   then subparagraph (A) shall be increased by the  
6                   lesser of \$8,000 or the portion of the purchase  
7                   price of the principal residence attributable  
8                   such fixtures or movable facilities.”.

9                   (c) ELIGIBLE VETERAN.—

10                   (1) IN GENERAL.—Paragraph (1) of section  
11                   36(c) of such Code is amended by striking “FIRST-  
12                   TIME HOMEBUYER.—The term ‘first time home-  
13                   buyer’ means any individual” and inserting “ELIGI-  
14                   BLE VETERAN.—The term ‘eligible veteran’ means  
15                   any individual who is a veteran (as defined in sec-  
16                   tion 101(2) of title 38, United States Code)”.

17                   (2) LONG-TIME RESIDENT.—Paragraph (6) of  
18                   section 36(c) of such Code is amended by striking  
19                   “treated as a first-time homebuyer” and inserting  
20                   “treated as meeting the no present ownership inter-  
21                   est requirement of paragraph (1)”.

22                   (d) RECAPTURE OF CREDIT.—Subsection (f) of sec-  
23                   tion 36 is amended to read as follows:

24                   “(f) RECAPTURE OF CREDIT.—

1           “(1) IN GENERAL.—If a taxpayer disposes of  
2 the principal residence with respect to which a credit  
3 was allowed under subsection (a) (or such residence  
4 ceases to be the principal residence of the taxpayer  
5 (and, if married, the taxpayer’s spouse)) before the  
6 end of the 36-month period beginning on the date of  
7 the purchase of such residence by the taxpayer the  
8 tax imposed by this chapter for the taxable year of  
9 such disposition or cessation shall be increased by  
10 the amount of the credit so allowed.

11           “(2) EXCEPTIONS.—

12           “(A) DEATH OF TAXPAYER.—Paragraphs  
13 (1) shall not apply to any taxable year ending  
14 after the date of the taxpayer’s death.

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

1 the same manner as if such new principal resi-  
2 dence were the converted residence.

3 “(C) TRANSFERS BETWEEN SPOUSES OR  
4 INCIDENT TO DIVORCE.—In the case of a trans-  
5 fer of a residence to which section 1041(a) ap-  
6 plies—

7 “(i) paragraph (1) shall not apply to  
8 such transfer, and

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

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

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

1                   “(ii) QUALIFIED OFFICIAL EXTENDED  
2                   DUTY SERVICE.—For purposes of this sec-  
3                   tion, the term ‘qualified official extended  
4                   duty service’ means service on qualified of-  
5                   ficial extended duty as—

6                               “(I) a member of the uniformed  
7                               services,

8                               “(II) a member of the Foreign  
9                               Service of the United States, or

10                              “(III) an employee of the intel-  
11                              ligence community.

12                              “(iii) DEFINITIONS.—Any term used  
13                              in this subparagraph which is also used in  
14                              paragraph (9) of section 121(d) shall have  
15                              the same meaning as when used in such  
16                              paragraph.

17                              “(3) JOINT RETURNS.—In the case of a credit  
18                              allowed under subsection (a) with respect to a joint  
19                              return, half of such credit shall be treated as having  
20                              been allowed to each individual filing such return for  
21                              purposes of this subsection.

22                              “(4) RETURN REQUIREMENT.—If the tax im-  
23                              posed by this chapter for the taxable year is in-  
24                              creased under this subsection, the taxpayer shall,  
25                              notwithstanding section 6012, be required to file a

1 return with respect to the taxes imposed under this  
2 subtitle.”.

3 (e) APPLICATION OF CREDIT.—Subsection (h) of sec-  
4 tion 36 of the Internal Revenue Code of 1986 is amended  
5 to read as follows:

6 “(h) TERMINATION.—This section shall not apply to  
7 any residence purchased after December 31, 2016.”.

8 (f) ASSIGNMENT OF CREDIT IN CASE OF CONSTRUC-  
9 TION.—Section 36, as amended by this Act, is amended  
10 by adding at the end the following new subsection:

11 “(i) CREDIT MAY BE ASSIGNED.—

12 “(1) IN GENERAL.—In the case of a residence  
13 constructed by the taxpayer, if such taxpayer elects  
14 the application of this subsection for any taxable  
15 year, any portion of the credit determined under this  
16 section which is attributable to an increase under  
17 subparagraph (B) of subsection (b)(1) for such year  
18 which would (but for this subsection) be allowable to  
19 the taxpayer may be assigned to any person who is  
20 an eligible designee. The person so designated shall  
21 be allowed the amount of the credit so assigned and  
22 shall be treated as the taxpayer with respect to such  
23 credit for purposes of this title (other than this  
24 paragraph), except that such credit shall be treated

1 as a credit listed in section 38(b) for such taxable  
2 year (and not allowed under subsection (a)).

3 “(2) ELIGIBLE DESIGNEE.—For purposes of  
4 paragraph (1), the term ‘eligible designee’ means  
5 any person who, with respect to the residence, pro-  
6 vides or installs any improvements, special fixtures,  
7 or movable facilities to which the credit is attrib-  
8 utable under subparagraphs (B) of subsection  
9 (b)(1).

10 “(3) ELECTION REQUIREMENTS.—Any election  
11 under paragraph (1) shall include such information  
12 and shall be made at such time, and in such form  
13 and manner, as the Secretary shall by regulation  
14 prescribe.”.

15 (g) CONFORMING AMENDMENTS.—

16 (1) Paragraph (2) of section 26(b) of such Code  
17 is amended by striking “and” at the end of subpara-  
18 graph (W), by striking the period at the end of sub-  
19 paragraph (X) and inserting “, and”, and by adding  
20 at the end the following new subparagraph:

21 “(Y) section 36(f) (relating to recapture of  
22 veteran first-time homebuyer tax credit).”.

23 (2) Section 38(b) is amended by striking “plus”  
24 at the end of paragraph (35), by striking the period  
25 at the end of paragraph (36) and inserting “, and”,



1 and by adding at the end the following new para-  
2 graph:

3 “(37) the portion of the veteran first-time  
4 homebuyers credit assigned to the taxpayer to which  
5 the second sentence of section 36(i)(1) applies,”.

6 (3) The heading for section 1400C(e)(4) is  
7 amended by striking “NATIONAL FIRST-TIME HOME-  
8 BUYERS CREDIT” and inserting “VETERAN FIRST-  
9 TIME HOMEBUYERS CREDIT”.

10 (h) CLERICAL AMENDMENT.—The item relating to  
11 section 36 in the table of sections for subpart C of part  
12 IV of subchapter A of chapter 1 of such Code is amended  
13 to read as follows:

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

14 (i) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to residences purchased after the  
16 date of the enactment of this Act.

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

18 (a) IN GENERAL.—Subpart C of part IV of sub-  
19 chapter A of chapter 1 of the Internal Revenue Code of  
20 1986 is amended by inserting before section 37 the fol-  
21 lowing new section:

22 **“SEC. 36C. VETERAN HOME MOBILITY IMPROVEMENT**  
23 **CREDIT.**

24 “(a) IN GENERAL.—In the case of a veteran, there  
25 shall be allowed as a credit against the tax imposed by

1 this subtitle for any taxable year an amount equal to the  
2 amount paid or incurred by the taxpayer for qualified  
3 adaptive housing improvements for the taxable year.

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

6 “(c) QUALIFIED ADAPTIVE HOUSING IMPROVE-  
7 MENT.—For purposes of this section, the term ‘qualified  
8 adaptive housing improvement’ means special fixtures or  
9 movable facilities with respect to the principal residence  
10 of the veteran which are made necessary by the nature  
11 of the disability of the veteran, if such fixtures and facili-  
12 ties are—

13 “(1) provided to the veteran pursuant to spe-  
14 cially adapted housing assistance under chapter 21  
15 of title 38, United States Code, or

16 “(2) similar to such fixtures and facilities that  
17 would be provided to the veteran if the veteran re-  
18 ceived such assistance.

19 “(d) CREDIT MAY BE ASSIGNED.—

20 “(1) IN GENERAL.—If the taxpayer elects the  
21 application of this subsection for any taxable year,  
22 any portion of the credit under this section for such  
23 year which would (but for this subsection) be allow-  
24 able to the taxpayer may be assigned to any person  
25 who is an eligible designee. The person so designated

1 shall be allowed the amount of the credit so assigned  
2 and shall be treated as the taxpayer with respect to  
3 such credit for purposes of this title (other than this  
4 paragraph), except that such credit shall be treated  
5 as a credit listed in section 38(b) for such taxable  
6 year (and not allowed under subsection (a)).

7 “(2) ELIGIBLE DESIGNEE.—For purposes of  
8 paragraph (1), the term ‘eligible designee’ means  
9 any person who, with respect to the residence, pro-  
10 vides or installs any qualified adaptive housing im-  
11 provements to which the credit under this section is  
12 attributable.

13 “(3) ELECTION REQUIREMENTS.—Any election  
14 under paragraph (1) shall include such information  
15 and shall be made at such time, and in such form  
16 and manner, as the Secretary shall by regulation  
17 prescribe.”.

18 (b) CONFORMING AMENDMENTS.—

19 (1) Section 1324(b)(2) of title 31, United  
20 States Code, is amended by inserting “, 36C” after  
21 “36B”.

22 (2) Section 38(b), as amended by this Act, is  
23 amended by striking “plus” at the end of paragraph  
24 (36), by striking the period at the end of paragraph

1 (37) and inserting “, and”, and by adding at the  
2 end the following new paragraph:

3 “(38) the portion of the veteran home mobility  
4 improvement credit assigned to the taxpayer to  
5 which the second sentence of section 36C(d)(1) ap-  
6 plies”.

7 (3) The table of sections for subpart C of part  
8 IV of subchapter A of chapter 1 of the Internal Rev-  
9 enue Code of 1986 is amended by inserting before  
10 the item relating to section 37 the following new  
11 item:

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

12 (c) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to taxable years beginning after  
14 December 31, 2012.

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