

117TH CONGRESS
2D SESSION

H. R. 9585

To amend the Internal Revenue Code of 1986 to impose a tax on foreign-owned under-utilized residential real property.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 15, 2022

Mr. JACOBS of New York 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 impose a tax on foreign-owned under-utilized residential real property.

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 “American Property
5 Act”.

6 **SEC. 2. TAX ON FOREIGN-OWNED UNDER-UTILIZED RESI-**
7 **DENTIAL REAL PROPERTY.**

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

1 **“Subchapter E—Tax on Foreign-Owned**
 2 **Under-Utilized Residential Real Property**

“Sec. 4491. Tax on foreign-owned under-utilized residential real property.

3 **“SEC. 4491. TAX ON FOREIGN-OWNED UNDER-UTILIZED RES-**
 4 **IDENTIAL REAL PROPERTY.**

5 “(a) IN GENERAL.—In the case of any specified for-
 6 eign person which owns any specified under-utilized resi-
 7 dential real property for more than one-half of any taxable
 8 year, there is hereby imposed a tax equal to 1 percent of
 9 the estimated value of such property.

10 “(b) SPECIFIED UNDER-UTILIZED RESIDENTIAL
 11 REAL PROPERTY.—For purposes of this section—

12 “(1) IN GENERAL.—The term ‘specified under-
 13 utilized residential real property’ means, with re-
 14 spect to any taxable year, any specified residential
 15 property located in the United States which is occu-
 16 pied as a dwelling unit for less than 180 days, as
 17 determined pursuant to paragraph (2).

18 “(2) DETERMINATION OF OCCUPANCY.—

19 “(A) IN GENERAL.—Occupancy of speci-
 20 fied residential property shall be determined by
 21 taking into consideration only such days as fall
 22 into a qualifying occupancy period.

23 “(B) QUALIFYING OCCUPANCY PERIOD.—

24 The term ‘qualifying occupancy period’ means a

1 period of at least one month in the taxable year
2 during which a qualifying occupant has contin-
3 uous occupancy of a dwelling unit.

4 “(C) QUALIFYING OCCUPANT.—

5 “(i) IN GENERAL.—The term ‘quali-
6 fying occupant’ means an individual who
7 is—

8 “(I) the taxpayer, the spouse,
9 parent, or child of such taxpayer, or a
10 tenant, and

11 “(II) either—

12 “(aa) a citizen or permanent
13 resident of the United States, or

14 “(bb) authorized to work in
15 the United States.

16 “(ii) SPECIAL RULE FOR TAXPAYER
17 AND SPOUSE.—In the case of a taxpayer or
18 spouse of such taxpayer, such individual
19 may only be taken into account as a quali-
20 fying occupant if the dwelling unit is the
21 primary residence of such individual during
22 the qualifying occupancy period.

23 “(3) SPECIFIED RESIDENTIAL PROPERTY.—The
24 term ‘specified residential property’ means a single-
25 family home or structure consisting of four residen-

1 tial units or less, or a part of a building that is a
2 semi-detached house, rowhouse unit, residential con-
3 dominium unit or other similar premises that is, or
4 is intended to be, a separate parcel or other division
5 of real property, and includes any land which was
6 conveyed with such home, structure, or building.

7 “(c) ESTIMATED VALUE.—For purposes of this sec-
8 tion, the term ‘estimated value’ means, with respect to
9 property for any taxable year, the greater of—

10 “(1) the appraised value of such property for
11 purposes of determining State or local property
12 taxes (determined as of the close of such taxable
13 year), or

14 “(2) the most recent sales price of such prop-
15 erty (as so determined).

16 “(d) SPECIFIED FOREIGN PERSON.—For purposes of
17 this section, the term ‘specified foreign person’ means any
18 person other than a United States person.

19 “(e) SPECIAL RULES FOR PROPERTY ACQUIRED OR
20 TRANSFERRED DURING A TAXABLE YEAR.—

21 “(1) APPLICATION OF OCCUPANCY RULES.—
22 For purposes of subsection (b)(1), specified under-
23 utilized residential real property shall not be treated
24 as occupied as a dwelling unit with respect to any

1 taxpayer for any day during which the taxpayer did
2 not own such property.

3 “(2) ESTIMATED VALUE.—In the case of any
4 specified under-utilized residential real property sold
5 or otherwise transferred by the taxpayer during the
6 taxable year—

7 “(A) the amount described in subsection
8 (c)(1) shall be determined as of the last day on
9 which the taxpayer owns such property, and

10 “(B) the amount described in subsection
11 (c)(2) shall be the amount for which such prop-
12 erty is so sold or otherwise transferred.”.

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

“SUBCHAPTER E—TAX ON FOREIGN-OWNED UNDER-UTILIZED RESIDENTIAL
REAL PROPERTY”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to taxable years beginning after
19 the date of the enactment of this Act.

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