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(Original Signature of Member)

119TH CONGRESS  
1ST SESSION

**H. R.**

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To amend the Internal Revenue Code of 1986 to exclude from gross income gains on the sale of real property to first-time homebuyers by individuals who have attained age 65.

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IN THE HOUSE OF REPRESENTATIVES

Mr. MCGUIRE introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Internal Revenue Code of 1986 to exclude from gross income gains on the sale of real property to first-time homebuyers by individuals who have attained age 65.

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 Dream Act”.

1   **SEC. 2. EXCLUSION FROM GROSS INCOME OF GAINS ON**  
2           **THE SALE OF REAL PROPERTY TO FIRST-**  
3           **TIME HOMEBUYERS BY INDIVIDUALS WHO**  
4           **HAVE ATTAINED AGE 65.**

5       (a) IN GENERAL.—Part III of subchapter B of chapter  
6 1 of the Internal Revenue Code of 1986 is amended  
7 by inserting after section 121 the following new section:

8   **“SEC. 121A. EXCLUSION OF GAIN FROM SALE OF REAL**  
9           **PROPERTY TO FIRST-TIME HOMEBUYERS BY**  
10           **INDIVIDUALS WHO HAVE ATTAINED AGE 65.**

11      “(a) IN GENERAL.—In the case of an individual,  
12 gross income shall not include gain from the sale of real  
13 property if—

14       “(1) the taxpayer (either spouse in the case of  
15 a joint return) has attained age 65 as of the date  
16 of such sale,

17       “(2) such sale is to a first-time homebuyer for  
18 use as such first-time homebuyer’s principal resi-  
19 dence (within the meaning of section 121),

20       “(3) the price at which such real property is  
21 sold does not exceed \$500,000, and

22       “(4) the closing documents with respect to such  
23 sale include a statement by the buyer made under  
24 penalty of perjury that such buyer is a first-time  
25 homebuyer and is purchasing such property for use

1 as such buyer's principal residence (within the  
2 meaning of section 121).

3 "(b) FIRST-TIME HOMEBUYER.—For purposes of  
4 this section, the term 'first-time homebuyer' means any  
5 individual if such individual (and if married, such individ-  
6 ual's spouse) had no present ownership interest in a prin-  
7 cipal residence (within the meaning of section 121) during  
8 the 2-year period ending on the date of the sale to which  
9 this section applies.

10 "(c) COORDINATION WITH EXCLUSION OF GAIN  
11 FROM SALE OF PRINCIPAL RESIDENCE.—Section 121  
12 shall not apply to any sale to which subsection (a) applies.

13 "(d) TERMINATION.—This section shall not apply to  
14 any sale after December 31, 2030.”.

15 (b) CLERICAL AMENDMENT.—The table of sections  
16 for part III of subchapter B of chapter 1 of such Code  
17 is amended by inserting after the item relating to section  
18 121 the following new item:

“Sec. 121A. Exclusion of gain from sale of real property to first-time home-  
buyers by individuals who have attained age 65.”.

19 (c) EFFECTIVE DATE.—The amendments made by  
20 this section shall apply to sales after December 31, 2025,  
21 in taxable years ending after such date.