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(Original Signature of Member)

118TH CONGRESS  
1ST SESSION

# H. R.

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To reduce the excessive appreciation of United States residential real estate due to foreign purchases.

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## IN THE HOUSE OF REPRESENTATIVES

Ms. SALAZAR introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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# A BILL

To reduce the excessive appreciation of United States residential real estate due to foreign purchases.

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 “Home Advantage for  
5 American Families Act”.

1 **SEC. 2. EXPANSION OF TOOLS TO COMBAT MONEY LAUN-**  
2 **DERING.**

3 (a) IN GENERAL.—Subchapter II of chapter 53 of  
4 title 31, United States Code, is amended by adding at the  
5 end the following:

6 **“§ 5337. Reports on applicable residential property**

7 “(a) DEFINITIONS.—In this section:

8 “(1) APPLICABLE RESIDENTIAL PROPERTY.—

9 The term ‘applicable residential property’ means  
10 property described in section 1445(f) of the Internal  
11 Revenue Code of 1986 and which is located in any  
12 of the 15 largest metropolitan statistical areas by  
13 population (as determined by the Office of Manage-  
14 ment and Budget).

15 “(2) FOREIGN PERSON.—The term ‘foreign per-  
16 son’ means any person that is not a citizen or per-  
17 manent resident of the United States.

18 “(3) SALE OF APPLICABLE RESIDENTIAL PROP-  
19 erty.—The term ‘sale of applicable residential prop-  
20 erty’ means the sale of an interest in applicable resi-  
21 dential property.

22 “(b) REPORTS.—Any foreign person involved in a  
23 transaction related to the sale of applicable residential  
24 property shall submit to the Secretary of the Treasury a  
25 report with respect to the transaction or any related trans-  
26 action that contains—

1           “(1) the name and any other identification in-  
2           formation that the Secretary determines is necessary  
3           of the individual purchasing the applicable residen-  
4           tial property;

5           “(2) the amount and source of the funds re-  
6           ceived by the seller, as determined by the Secretary;

7           “(3) the date and nature of the transaction;  
8           and

9           “(4) any other information, including the iden-  
10          tification of the person filing the report, that the  
11          Secretary determines is necessary.

12          “(c) REGULATIONS.—Not later than 180 days after  
13          the date of enactment of this section, the Secretary shall  
14          promulgate regulations carrying out this section.”.

15          (b) TECHNICAL AND CONFORMING AMENDMENT.—  
16          The table of sections for chapter 53 of title 31, United  
17          States Code, is amended by adding at the end the fol-  
18          lowing:

          “5337. Reports on applicable residential property.”.

19          (c) LIST OF TOP 15 LARGEST METROPOLITAN STA-  
20          TISTICAL AREAS.—Not less frequently than every 5 years,  
21          the Director of the Office of Management and Budget  
22          shall update the list of the 15 largest metropolitan statis-  
23          tical areas by population.

1 **SEC. 3. INCREASED WITHHOLDING ON SALE DISPOSITION**  
2 **OF CERTAIN UNITED STATES REAL PROP-**  
3 **ERTY INTERESTS.**

4 (a) IN GENERAL.—Section 1445 of the Internal Rev-  
5 enue Code of 1986 is amended by redesignating subsection  
6 (f) as subsection (g) and by inserting after subsection (e)  
7 the following new subsection:

8 “(f) SPECIAL RULE FOR CERTAIN DISPOSITIONS OF  
9 RESIDENTIAL REAL PROPERTY.—

10 “(1) IN GENERAL.—In the case of the dispo-  
11 sition of any applicable residential property, sub-  
12 section (a) shall be applied by substituting ‘30 per-  
13 cent’ for ‘15 percent’.

14 “(2) APPLICABLE RESIDENTIAL PROPERTY.—  
15 For purposes of this subsection, the term ‘applicable  
16 residential property’ means any interest which—

17 “(A) is an interest described in section  
18 897(c)(1)(A)(i), and

19 “(B) is an interest in residential real prop-  
20 erty.”.

21 (b) EFFECTIVE DATE.—The amendments made by  
22 subsection (a) shall apply to dispositions after the date  
23 which is 60 days after the date of the enactment of this  
24 Act.

1 **SEC. 4. INCREASE IN LOW-INCOME HOUSING TAX CREDIT**  
2 **STATE CEILING.**

3 (a) IN GENERAL.—Section 42(h)(3)(C) of the Inter-  
4 nal Revenue Code of 1986 is amended by striking “plus”  
5 at the end of clause (iii), by striking the period at the  
6 end of clause (iv) and inserting “, plus”, and by inserting  
7 after clause (iv) the following:

8 “(v) the qualified single-family hous-  
9 ing amount determined under subpara-  
10 graph (J).”.

11 (b) **QUALIFIED SINGLE-FAMILY HOUSING**  
12 **AMOUNT.—**

13 (1) IN GENERAL.—Section 42(h)(3) of the In-  
14 ternal Revenue Code of 1986 is amended by adding  
15 at the end the following new subparagraph:

16 “(J) **QUALIFIED SINGLE-FAMILY HOUSING**  
17 **AMOUNT.—**The qualified single-family housing  
18 amount determined under this subparagraph  
19 for any calendar year is an amount equal to the  
20 sum of—

21 “(i) 10 percent of the amount deter-  
22 mined under subparagraph (C)(ii) for such  
23 calendar year (determined after application  
24 of subparagraphs (H) and (I)),

25 “(ii) the excess (if any) of the amount  
26 described in clause (i) for the preceding

1 calendar year over the amounts allocated  
2 to projects described in paragraph (9) for  
3 such preceding calendar year,

4 “(iii) the amount allocated within the  
5 State (not in excess of the amount deter-  
6 mined under this subparagraph for the  
7 preceding calendar year reduced by the  
8 amount described in clause (ii) for the sec-  
9 ond preceding calendar year) for any  
10 project—

11 “(I) which is described in para-  
12 graph (9) and which fails to meet the  
13 10 percent test under paragraph  
14 (1)(E)(ii) on a date after the close of  
15 the calendar year in which the alloca-  
16 tion was made,

17 “(II) which does not become a  
18 qualified low-income housing project  
19 described in paragraph (9) within the  
20 period required by this section or the  
21 terms of the allocation, or

22 “(III) which is described in para-  
23 graph (9) and with respect to which  
24 an allocation is cancelled by mutual

1 consent of the housing credit agency  
2 and the allocation recipient, plus

3 “(iv) the amount, if any, determined  
4 under subparagraph (D), applied—

5 “(I) by substituting ‘unused  
6 qualified single-family housing carry-  
7 over’ for ‘unused housing credit carry-  
8 over’ in clause (i) thereof,

9 “(II) without regard to clause (ii)  
10 thereof,

11 “(III) by substituting ‘unused  
12 qualified single-family housing  
13 carryovers’ for ‘unused housing credit  
14 carryovers’ in clause (iii) thereof, and

15 “(IV) by substituting ‘an amount  
16 equal to its entire qualified single-  
17 family housing amount to projects de-  
18 scribed in paragraph (9)’ for ‘entire  
19 State housing credit ceiling (deter-  
20 mined without regard to amounts de-  
21 scribed in subparagraph (C)(v))’ in  
22 clause (iv)(I) thereof.”.

23 (2) CONFORMING AMENDMENTS.—

24 (A) Section 42(h)(3)(C) of such Code is  
25 amended by inserting “(other than amounts al-

1 located from the qualified single-family housing  
2 amount)” after “the housing credit dollar  
3 amount previously allocated within the State”.

4 (B) Section 42(h)(3)(D) of such Code is  
5 amended by inserting “(determined without re-  
6 gard to amounts described in subparagraph  
7 (C)(v))” after “entire State housing credit ceil-  
8 ing”.

9 (c) SET ASIDE OF INCREASED AMOUNTS.—Section  
10 42(h) of the Internal Revenue Code of 1986 is amended  
11 by adding at the end the following new paragraph:

12 “(9) SET ASIDE OF QUALIFIED SINGLE-FAMILY  
13 HOUSING AMOUNT.—The portion of the State hous-  
14 ing credit ceiling which is equal to the qualified sin-  
15 gle-family housing amount for any calendar year  
16 shall be allocated to projects consisting of 1 to 4  
17 dwelling units that are located in qualified census  
18 tracts (as defined in subsection (d)(5)(B)(i)).”.

19 (d) EFFECTIVE DATE.—The amendments made by  
20 this section shall apply to allocations made for calendar  
21 years beginning after the date of the enactment of this  
22 Act.