

**AMENDMENT TO THE  
SENATE AMENDMENT TO H.R. 1**

**OFFERED BY MR. GOMEZ OF CALIFORNIA**

At the end of part 2 of subtitle A, add the following new sections:

**SEC. 110116. FIRST-TIME HOMEBUYER CREDIT.**

(a) IN GENERAL.—Section 36 is amended to read as follows:

**“SEC. 36. FIRST-TIME HOMEBUYER CREDIT.**

“(a) IN GENERAL.—In the case of an individual who is a first-time homebuyer of a principal residence in the United States during a taxable year, there shall be allowed as a credit against the tax imposed by this subtitle for such taxable year an amount equal to so much of the amount of the qualified home purchase expenses paid by such taxpayer to purchase such principal residence as does not exceed \$25,000.

“(b) LIMITATION.—

“(1) IN GENERAL.—The amount allowable as a credit under subsection (a) (determined without regard to this paragraph) for the taxable year shall be reduced (but not below zero) by the amount which bears the same ratio to the amount which is so allowable as—

“(A) the excess (if any) of—

“(i) the taxpayer’s modified adjusted gross income for the preceding taxable year, over

“(ii) the applicable threshold amount, bears to—

“(B) \$100,000.

“(2) THRESHOLD AMOUNT.—For purposes of this subsection, the term ‘threshold amount’ means—

“(A) \$300,000 in the case of a joint return or surviving spouse,

“(B) \$225,000 in the case of a head of household, or

“(C) \$150,000 in the case of any other individual.

“(3) MODIFIED ADJUSTED GROSS INCOME.—For purposes of paragraph (1), the term ‘modified adjusted gross income’ means the adjusted gross income of the taxpayer for the taxable year increased by any amount excluded from gross income under section 911, 931, or 933.

“(c) INCREASE IN CREDIT FOR FIRST-GENERATION HOMEBUYER.—

“(1) IN GENERAL.—In the case of a first-generation homebuyer, subsection (a) shall be applied by substituting ‘\$50,000’ for ‘\$25,000’.

“(2) FIRST-GENERATION HOMEBUYER.—For purposes of this subsection, the term ‘first-generation homebuyer’ means an individual who certifies that, as of the last day of the taxable year with respect to which the credit is allowed (determined without regard to any ownership interest with respect to which such credit is allowed), such individual (and such individual’s spouse, in the case of a joint return) is an individual described in paragraph (3).

“(3) INDIVIDUAL DESCRIBED.—An individual is described in this paragraph if—

“(A) such individual aged out of the foster care system,

“(B) such individual was emancipated from their parent,  
or

“(C) no parent of such individual had a majority interest in a residential property at any time during the lifetime of such individual.

“(d) INCREASE IN CREDIT FOR HIGH COST AREAS.—In the case of the purchase of a principal residence located in a high cost area (as such term is used in the Federal National Mortgage Association Charter Act), the amount in effect under subsection (a) (after the application of subsection (j)) shall be increased by an amount equal to the product of—

“(1) 3.5 percent, multiplied by

“(2) the excess of—

“(A) the conforming loan limit value for properties in high cost areas established under 302(b)(2) of the Federal National Mortgage Association Charter Act, minus

“(B) the conforming loan limit value for properties established under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act, as most recently updated by the Federal Housing Finance Agency.

“(e) EXCEPTIONS.—No credit under subsection (a) shall be allowed to any taxpayer for any taxable year with respect to the purchase of a residence if—

“(1) the taxpayer is a nonresident alien,

“(2) the taxpayer disposes of such residence (or such residence ceases to be the principal residence of the taxpayer (and, if married, the taxpayer's spouse)) before the close of such taxable year,

“(3) a deduction under section 151 with respect to such taxpayer is allowable to another taxpayer for such taxable year, or

“(4) the taxpayer fails to attach to the return of tax for such taxable year a properly executed copy of the settlement statement used to complete such purchase.

“(f) ELECTION FOR ADVANCED PAYMENT.—

“(1) IN GENERAL.—At the election of the first-time homebuyer, the Secretary shall transfer to a qualifying escrow account an amount equal to the amount that is allowable to such first-time homebuyer under subsection (a) in the present taxable year.

“(2) TREATMENT OF TRANSFER.—The amount of the credit allowed under subsection (a) to any taxpayer for any taxable year shall be reduced (but not below zero) by the aggregate amount of payments made under this subsection at the election of such taxpayer during such taxable year. Any failure to so reduce the credit shall be treated as arising out of a mathematical or clerical error and assessed according to section 6213(b)(1).

“(3) QUALIFYING ESCROW ACCOUNT.—For purposes of this subsection, the term ‘qualifying escrow account’ means an escrow account established for the purchase of a principal residence by a qualified first-time homebuyer that meets the following requirements:

“(A) Amounts in such account may only be used for a down payment or closing costs on a purchase with respect to which a credit is allowed under subsection (a).

“(B) Such account is administered by a bank (as defined in section 408(n)).

“(C) The administrator of the account shall transfer to the Secretary any amount in such account not used under subparagraph (A) on the earlier of—

“(i) the date that is 180 days after the date on which such amount was transferred to such account under paragraph (1), or

“(ii) as soon as practicable upon request of the qualified first-time homebuyer.

“(g) RECAPTURE OF CREDIT.—

“(1) IN GENERAL.—If, during any taxable year, there is a recapture event with respect to any property with respect to which a credit was allowed under subsection (a), then the tax of the taxpayer to whom such credit was allowed under this chapter for such taxable year shall be increased by an amount equal to the amount of the credit that was allowed with respect to such property.

“(2) RECAPTURE EVENT.—For purposes of this section, the term ‘recapture event’ means, during the 5-year period beginning on the date of the purchase with respect to which a credit was allowed under subsection (a)—

“(A) the sale, lease to a third party, or disposition of any part of the property with respect to which such credit was allowed, or

“(B) such property ceases to be the principal residence of the taxpayer (or, in the case of a joint return, of the taxpayer’s spouse).

“(3) EXCEPTIONS.—Paragraph (1) shall not apply to any of the following:

“(A) PURCHASE OF NEW PRIMARY RESIDENCE.—

“(i) IN GENERAL.—A sale of a property with respect to which a credit was allowed under subsection (a) which is incident to the purchase by a taxpayer of a new primary residence if the proceeds of such sale are

used to carry out the purchase of such new primary residence.

“(ii) TREATMENT OF NEW PRIMARY RESIDENCE.—In the case of a purchase of a primary residence described in clause (i), for purposes of paragraph (1), such primary residence shall be treated as a property with respect to which a credit was allowed under subsection (a), except that the period described in paragraph (2) shall begin on the date on which the original purchase with respect to which the credit was allowed under subsection (a) occurred.

“(B) DEATH.—Any taxable year ending after the death of the taxpayer (or, in the case of a joint return, of the spouse of the taxpayer).

“(C) DIVORCE.—A transfer of a residence to which section 1041(a) applies.

“(D) GOVERNMENT ORDERS.—A recapture event relating to a principal residence occurring in connection with Government orders received by such individual, or such individual's spouse, for qualified official extended duty service.

“(E) QUALIFIED OFFICIAL EXTENDED DUTY SERVICE.—For purposes of this paragraph, the term ‘qualified official extended duty service’ means service on qualified official extended duty as—

“(i) a member of the uniformed services,

“(ii) a member of the Foreign Service of the United States, or

“(iii) an employee of the intelligence community.

“(h) DEFINITIONS.—For purposes of this section—

“(1) FIRST-TIME HOMEBUYER.—The term ‘first-time homebuyer’ means any individual if such individual (and if married, such individual's spouse)—

“(A) had no present ownership interest in a principal residence during the 10-year period ending on the date of the purchase of the principal residence to which this section applies,

“(B) has not been allowed a credit under subsection (a) for any preceding taxable year, and

“(C) attests that such individual (and if married, such individual's spouse) has never had a majority interest in a residential property.

“(2) PRINCIPAL RESIDENCE.—The term ‘principal residence’ has the same meaning as when used in section 121.

“(3) PURCHASE.—

“(A) IN GENERAL.—The term ‘purchase’ means any acquisition, but only if—

“(i) the property is purchased using a mortgage loan from a commercial lender,

“(ii) the property is not acquired from a person related to the person acquiring such property (or, if married, such individual's spouse), and

“(iii) the basis of the property in the hands of the person acquiring such property is not determined—

“(I) in whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or

“(II) under section 1014(a).

“(B) CONSTRUCTION.—A residence which is constructed by the taxpayer shall be treated as purchased by the taxpayer on the date the taxpayer first occupies such residence.

“(C) GUARANTEED LOANS INCLUDED.—A loan shall not fail to be treated as a mortgage loan from a commercial lender under subparagraph (A)(i) merely because such loan is guaranteed under section 184 of the Housing and Community Development Act of 1992.

“(4) QUALIFIED HOME PURCHASES EXPENSES.—The term ‘qualified home purchase expenses’ means amounts paid for—

“(A) a down payment on the purchase of a home, and

“(B) closing costs with respect to such purchase.

“(5) RELATED PERSONS.—A person shall be treated as related to another person if the relationship between such persons would result in the disallowance of losses under section 267 or 707(b) (but, in applying section 267(b) and (c) for purposes of this section, paragraph (4) of section 267(c)(4) shall be treated as providing that the family of an individual shall include only his spouse, ancestors, and lineal descendants).

“(i) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section in connection with any expenditure for any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so determined.

“(j) INFLATION ADJUSTMENT.—

“(1) IN GENERAL.—in the case of any taxable year beginning after 2025, the dollar amounts in this section shall be increased by an amount equal to—



“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2024’ for calendar year 2016 in subparagraph (A)(ii).

“(2) ROUNDING.—If any increase under paragraph (1) is not a multiple of \$100, such increase shall be rounded to the nearest multiple of \$100.

“(k) REPORTING.—

“(1) IN GENERAL.—If the Secretary requires information reporting under section 6045 by a person described in subsection (e)(2) thereof to verify the eligibility of taxpayers for the credit allowable by this section, the exception provided by section 6045(e) shall not apply.

“(2) INFORMATION FROM LENDER.—The Secretary may require any lender issuing a loan for the purchase of a property with respect to which a credit is allowed under subsection (a) or with respect to which a first-time homebuyer has made a request for a transfer under subsection (f)(1) to provide such information relating to the related purchase as the Secretary determines appropriate.

“(l) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to residences purchased in taxable years beginning after the date of the enactment of this Act.

#### **SEC. 110117. STARTER HOME CONSTRUCTION CREDIT.**

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new section:

**“SEC. 45BB. STARTER HOME CONSTRUCTION CREDIT.**

“(a) IN GENERAL.—For the purposes of section 38, the starter home construction credit determined under this section for any taxable year is an amount equal to 15 percent of the qualified home construction costs of the taxpayer for the taxable year.

“(b) LIMITATION.—The amount allowable as a credit under subsection (a) to any taxpayer for any taxable year shall not exceed the amount allocated to such taxpayer for the calendar year in which such taxable year ends under subsection (e).

“(c) INCREASE FOR FIRST-TIME HOMEBUYER.—In the case of a unit of housing sold to a first-time homebuyer (as defined in section 36(g)(1)), subsection (a) shall be applied by substituting ‘30 percent’ for ‘15 percent’.

“(d) QUALIFIED HOME CONSTRUCTION COSTS.—For purposes of this section, the term ‘qualified home construction costs’ means, with respect to a taxable year, amounts paid or incurred by the taxpayer for labor and material costs to construct a unit of housing placed in service during such taxable year—

“(1) the total square footage of which does not exceed 1200 feet, and

“(2) the sale price of which does not exceed 80 percent of the area median home price.

“(e) STATE ALLOCATION.—

“(1) IN GENERAL.—The aggregate starter home construction credit dollar amount which a housing credit agency may allocate for any calendar year is the portion of the State starter home construction credit ceiling allocated under this subsection for such calendar year to such agency.

“(2) STATE CEILING INITIALLY ALLOCATED TO STATE HOUSING CREDIT AGENCIES.—The State starter

home construction credit ceiling for each calendar year shall be allocated to the housing credit agency of such State. If there is more than 1 housing credit agency of a State, all such agencies shall be treated as a single agency.

“(3) STATE STARTER HOME CONSTRUCTION CREDIT CEILING.—For purposes of this subsection, the State starter home construction credit ceiling applicable to any State for any calendar year shall be an amount equal to \$30 multiplied by the population of the State (determined in accordance with section 146(j)).

“(4) REALLOCATION OF UNUSED STARTER HOME CONSTRUCTION CREDIT AMOUNTS AMONG STATES.—

“(A) IN GENERAL.—The unused starter home construction credit amount of a State for any calendar year shall be assigned by the Secretary for allocation among qualified States for the succeeding calendar year.

“(B) UNUSED STARTER HOME CONSTRUCTION CREDIT AMOUNT.—For purposes of this paragraph, the unused starter home construction credit amount of a State for any calendar year is the excess (if any) of—

“(i) the aggregate amount allocated to such State for such year under this subsection, over

“(ii) the aggregate starter home construction credit dollar amount allocated for such year.

“(C) FORMULA FOR ALLOCATION OF UNUSED STARTER HOME CONSTRUCTION CREDIT AMOUNTS AMONG QUALIFIED STATES.—The amount allocated under this paragraph to a qualified State for any calendar year shall be the amount determined by the Secretary to bear the same ratio to the aggregate unused starter home construction credit amounts of all States for the preceding calendar year as such State's population for the calendar year bears to the population of all qualified States

for the calendar year. For purposes of the preceding sentence, population shall be determined in accordance with section 146(j).

“(D) QUALIFIED STATE.—For purposes of this paragraph, the term ‘qualified State’ means, with respect to a calendar year, any State—

“(i) which allocated its entire State starter home credit ceiling for the preceding calendar year, and

“(ii) which requests (not later than May 1 of the calendar year) an allocation under subparagraph (C).

“(E) SECRETARIAL WAIVER.—The Secretary may issue a waiver if the Secretary determines such waiver will serve the purposes of this section to allow such portion of the State starter home credit ceiling of any State for any calendar year as was allocated to such State under paragraph (3) for such calendar year (determined without regard to this paragraph)—

“(i) to be treated as allocated to such State for the following calendar year under such paragraph, and

“(ii) to not be treated as unused starter home construction credit amount of such State for purposes of this paragraph.

“(5) CERTIFICATE OF OCCUPANCY REQUIRED.—The State starter home construction credit ceiling determined under paragraph (3) for any calendar year shall be reduced by the amount equal to 50 percent of the amount of allocations made under this subsection by such State’s housing credit agency during the second preceding calendar year to construct housing with respect to which no certificate of occupancy has been issued.

“(6) HOUSING CREDIT AGENCY.—For purposes of this subsection, the term ‘housing credit agency’ has the meaning given in section 42(h)(8)(A).

“(f) TRIBAL ALLOCATION.—

“(1) IN GENERAL.—The aggregate starter home construction credit dollar amount which an Indian Tribal Government may allocate for any calendar year is the portion of the aggregate Indian starter home construction credit ceiling allocated under paragraph (3) for such calendar year to such Indian Tribal Government.

“(2) AGGREGATE INDIAN STARTER HOME CONSTRUCTION CREDIT CEILING.—The aggregate Indian starter home construction credit ceiling for any calendar year shall be the greatest of—

“(A) \$30 multiplied by total number of enrolled citizens of all Tribes estimated by the Secretary of the Interior with respect to such calendar year,

“(B) in the case of a calendar year beginning after the first calendar year with respect to which an amount was determined under subsection (e)(3), the lowest amount determined with respect to any State in the preceding calendar year under such subsection, or

“(C) \$30,000,000.

“(3) ALLOCATION OF AGGREGATE AMONG TRIBES.—

“(A) IN GENERAL.—Not later than 1 year after the date of the enactment of the American Homeownership Opportunity Act of 2025, the Secretary of the Treasury, in consultation with the Secretary of the Interior and representatives of such Indian Tribal Governments as administer qualified Indian lands and request to participate in such consultation, shall determine an appropriate process

to allocate the aggregate Indian starter home construction credit ceiling among eligible Indian Tribal Governments for each calendar year.

“(B) REVISION.—The Secretary, in consultation with the Secretary of the Interior and representatives of such Indian Tribal Governments as administer qualified Indian lands and request to participate in such consultation, shall evaluate the process established under subparagraph (A) not less frequently than every 5 years and may make such changes to such process as such Secretary, after such consultation, determines appropriate to further the purposes of this section.

“(4) INTERTRIBAL CONSORTIA.—Under regulations prescribed by the Secretary, an Indian Tribal Government (or partnership of Indian Tribal Governments) may authorize an intertribal consortium, an organization, or an Alaska Native regional or village corporation, as defined in, or established pursuant to, the Alaska Native Claims Settlement Act, to plan for, coordinate or otherwise administer services, finances, functions, or activities on behalf of such Government under this subsection, except that the authorized entity shall have the rights and responsibilities of the authorizing Indian Tribal Government (or Indian Tribal Governments) only to the extent provided in the authorizing resolution.

“(5) DEFINITIONS.—For purposes of this subsection—

“(A) QUALIFIED INDIAN LANDS.—The term ‘qualified Indian lands’ means—

“(i) Indian lands within the meaning of section 29(j)(8) of the Stevenson-Wydler Technology Innovation Act of 1980,

“(ii) land held in fee simple by an Indian Tribal Government,

“(iii) land held by incorporated Native groups, regional corporations, and village corporations under the provisions of the Alaska Native Claims Settlement Act, and

“(iv) Hawaiian Home Lands (as defined in section 801 of the Native American Housing Assistance and Self-Determination Act of 1996).

“(B) ELIGIBLE INDIAN TRIBAL GOVERNMENT.—For purposes of this subsection, the term ‘eligible Indian Tribal Government’ means, with respect to a calendar year, an Indian Tribal Government that—

“(i) requests an allocation under this subsection for such calendar year, and

“(ii) administers qualified Indian lands.

“(C) INDIAN TRIBAL GOVERNMENT.—The term ‘Indian Tribal Government’ means the recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994.

“(g) INFLATION ADJUSTMENT.—

“(1) IN GENERAL.—In the case of any taxable year beginning after 2025, the dollar amounts in subsection (e)(3) and (f)(2) shall each be increased by an amount equal to—

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2024’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

“(2) ROUNDING.—If any increase under subparagraph (A) is not a multiple of \$5, such increase shall be rounded to the nearest multiple of \$5.

“(h) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section in connection with any expenditure for any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so determined.

“(i) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section.”.

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) is amended by striking “plus” at the end of paragraph (40), by striking the period at the end of paragraph (41) and inserting “, plus”, and by adding at the end the following new paragraph:

“(42) the starter home construction credit determined under section 45BB(a).”.

(c) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 45AA the following new item:

[“Sec. 45BB. Starter home construction credit.”.](#)

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this section.