

117TH CONGRESS
1ST SESSION

S. 703

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

IN THE SENATE OF THE UNITED STATES

MARCH 11, 2021

Mr. RUBIO introduced the following bill; which was read twice and referred
to the Committee on Finance

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”.

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

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

1 **“§ 5337. Reports on applicable residential property**

2 “(a) DEFINITIONS.—In this section:

3 “(1) APPLICABLE RESIDENTIAL PROPERTY.—

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

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

13 “(3) SALE OF APPLICABLE RESIDENTIAL PROP-
14 erty.—The term ‘sale of applicable residential prop-
15 erty’ means the sale of an interest in applicable resi-
16 dential property.

17 “(b) REPORTS.—Any foreign person involved in a
18 transaction related to the sale of applicable residential
19 property shall submit to the Secretary of the Treasury a
20 report with respect to the transaction or any related trans-
21 action that contains—

22 “(1) the name and any other identification in-
23 formation that the Secretary determines is necessary
24 of the individual purchasing the applicable residen-
25 tial property;

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

3 “(3) the date and nature of the transaction;
4 and

5 “(4) any other information, including the iden-
6 tification of the person filing the report, that the
7 Secretary determines is necessary.

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

(b) TECHNICAL AND CONFORMING AMENDMENT.—

The table of sections for chapter 53 of title 31, United States Code, is amended by adding at the end the following:

“5337. Reports on applicable residential property.”.

(c) LIST OF TOP 15 LARGEST METROPOLITAN STATISTICAL AREAS.—Not less than every 5 years, the Director of the Office of Management and Budget shall update the list of the 15 largest metropolitan statistical areas by population.

20 **SEC. 3. INCREASED WITHHOLDING ON SALE DISPOSITION**
21 **OF CERTAIN UNITED STATES REAL PROP-**
22 **ERTY INTERESTS.**

23 (a) IN GENERAL.—Section 1445 of the Internal Rev-
24 enue Code of 1986 is amended by redesignating subsection

1 (f) as subsection (g) and by inserting after subsection (e)
 2 the following new subsection:

3 “(f) SPECIAL RULE FOR CERTAIN DISPOSITIONS OF
 4 RESIDENTIAL REAL PROPERTY.—

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

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

12 “(A) is an interest described in section
 13 897(c)(1)(A)(i), and

14 “(B) is an interest in residential real prop-
 15 erty.”.

16 (b) EFFECTIVE DATE.—The amendments made by
 17 subsection (a) shall apply to dispositions after the date
 18 which is 60 days after the date of the enactment of this
 19 Act.

20 **SEC. 4. INCREASE IN LOW-INCOME HOUSING TAX CREDIT**
 21 **STATE CEILING.**

22 (a) IN GENERAL.—Section 42(h)(3)(C) of the Inter-
 23 nal Revenue Code of 1986 is amended by striking “plus”
 24 at the end of clause (iii), by striking the period at the

1 end of clause (iv) and inserting “, plus”, and by inserting
 2 after clause (iv) the following:

3 “(v) the qualified single-family hous-
 4 ing amount determined under subpara-
 5 graph (J).”.

6 (b) QUALIFIED SINGLE-FAMILY HOUSING
 7 AMOUNT.—

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

11 “(J) QUALIFIED SINGLE-FAMILY HOUSING
 12 AMOUNT.—The qualified single-family housing
 13 amount determined under this subparagraph
 14 for any calendar year is an amount equal to the
 15 sum of—

16 “(i) 10 percent of the amount deter-
 17 mined under subparagraph (C)(ii) for such
 18 calendar year (determined after application
 19 of subparagraphs (H) and (I)),

20 “(ii) the excess (if any) of the amount
 21 described in clause (i) for the preceding
 22 calendar year over the amounts allocated
 23 to projects described in paragraph (9) for
 24 such preceding calendar year,

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

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

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

19 “(III) which is described in para-
20 graph (9) and with respect to which
21 an allocation is cancelled by mutual
22 consent of the housing credit agency
23 and the allocation recipient, plus

24 “(iv) the amount, if any, determined
25 under subparagraph (D), applied—

1 “(I) by substituting ‘unused
 2 qualified single-family housing carry-
 3 over’ for ‘unused housing credit carry-
 4 over’ in clause (i) thereof,

5 “(II) without regard to clause (ii)
 6 thereof,

7 “(III) by substituting ‘unused
 8 qualified single-family housing
 9 carryovers’ for ‘unused housing credit
 10 carryovers’ in clause (iii) thereof, and

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

19 (2) CONFORMING AMENDMENTS.—

20 (A) Section 42(h)(3)(C) of such Code is
 21 amended by inserting “(other than amounts al-
 22 located from the qualified single-family housing
 23 amount)” after “the housing credit dollar
 24 amount previously allocated within the State”.

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

6 (c) SET ASIDE OF INCREASED AMOUNTS.—Section
 7 42(h) of the Internal Revenue Code of 1986 is amended
 8 by adding at the end the following new paragraph:

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

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

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