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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to establish a tax credit
for multigenerational home renovation expenditures.

IN THE HOUSE OF REPRESENTATIVES

Ms. STRICKLAND introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to establish
a tax credit for multigenerational home renovation ex-
penditures.

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 “Multigenerational
5 Housing Opportunities to Modify Existing Structures
6 Act” or the “Multigenerational HOMES Act”.

1 **SEC. 2. NONREFUNDABLE PERSONAL CREDIT FOR**
2 **MULTIGENERATIONAL HOME RENOVATION**
3 **EXPENDITURES.**

4 (a) IN GENERAL.—Subpart A of part IV of sub-
5 chapter A of chapter 1 of the Internal Revenue Code of
6 1986 is amended by inserting after section 25F the fol-
7 lowing new section:

8 **“SEC. 25G. MULTIGENERATIONAL HOME RENOVATION EX-**
9 **PENDITURES.**

10 “(a) ALLOWANCE OF CREDIT.—

11 “(1) IN GENERAL.—In the case of an indi-
12 vidual, there shall be allowed as a credit against the
13 tax imposed by this chapter for the taxable year an
14 amount equal to 15 percent of the qualified
15 multigenerational home renovation expenditures
16 made by the taxpayer during such taxable year.

17 “(2) LIFETIME LIMITATION PER QUALIFIED
18 DWELLING UNIT OF TAXPAYER.—Subject to sub-
19 section (b), the credit allowed under paragraph (1)
20 with respect to any qualified dwelling unit of the
21 taxpayer for any taxable year shall not exceed the
22 excess (if any) of \$7,500 over the aggregate credits
23 allowed to such taxpayer (or, in the case of a mar-
24 ried individual, such individual’s spouse) under such
25 paragraph with respect to such qualified dwelling
26 unit for all prior taxable years.

1 “(b) INCOME PHASEOUT.—

2 “(1) IN GENERAL.—The amount of the credit
3 allowed by subsection (a) (determined without re-
4 gard to this subsection) shall be reduced (but not
5 below zero) by the amount which bears the same
6 ratio to such credit (as so determined) as—

7 “(A) the excess of—

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

10 “(ii) \$200,000 (twice such amount in
11 the case of a joint return), bears to

12 “(B) \$75,000.

13 “(2) MODIFIED ADJUSTED GROSS INCOME.—

14 For purposes of this subsection, the term ‘modified
15 adjusted gross income’ means adjusted gross income
16 increased by any amount excluded from gross in-
17 come under section 911, 931, or 933.

18 “(c) REFUNDABLE CREDIT FOR CERTAIN LOWER-IN-
19 COME TAXPAYERS.—In the case of any taxpayer whose
20 adjusted gross income does not exceed the area median
21 gross income (determined under rules similar to the rules
22 of section 142(d)(2)(B)), the credit allowed under this sec-
23 tion (determined without regard to this subsection) shall
24 be treated as a credit allowed under subpart C (and not
25 as a credit allowed under this section).

1 “(d) DEFINITIONS.—For purposes of this section—

2 “(1) QUALIFIED MULTIGENERATIONAL HOUS-
3 ING EXPENDITURE.—The term ‘qualified
4 multigenerational housing expenditure’ means, with
5 respect to any taxpayer, any expenditure for—

6 “(A) tangible personal property which is
7 directly related to—

8 “(i) improving the safety, mobility, or
9 accessibility of a qualified dwelling unit of
10 the taxpayer for purposes of supporting
11 any qualified relative of such taxpayer, or

12 “(ii) providing living quarters for any
13 individual if the taxpayer is a qualified rel-
14 ative with respect to such individual and
15 such individual provides care for such tax-
16 payer,

17 “(B) labor properly allocable to the onsite
18 preparation, assembly, or original installation of
19 such property, and

20 “(C) inspections of such dwelling unit re-
21 quired under State or local law by reason of the
22 installation of such property.

23 “(2) QUALIFIED DWELLING UNIT.—The term
24 ‘qualified dwelling unit’ means a dwelling unit
25 which—

1 “(A) is located in the United States or in
2 a territory of the United States, and

3 “(B) is either—

4 “(i) used as a principal residence by
5 the taxpayer, or

6 “(ii) a secondary unit located on the
7 same property as such principal residence.

8 “(3) QUALIFIED RELATIVE.—

9 “(A) IN GENERAL.—The term ‘qualified
10 relative’ means, with respect to any taxpayer
11 for any taxable year, an individual—

12 “(i) who bears a relationship de-
13 scribed in subparagraph (B) to such tax-
14 payer or to such taxpayer’s spouse,

15 “(ii) who has attained age 65 as of
16 the last day of such taxable year or is dis-
17 abled (within the meaning of section
18 72(m)(7)),

19 “(iii) whose principal place of abode
20 for more than one-half of such taxable year
21 is a qualified dwelling unit of such tax-
22 payer, and

23 “(iv) whose TIN is included on the
24 taxpayer’s return of tax for such taxable
25 year.

1 “(B) RELATIONSHIP.—For purposes of
2 subparagraph (A), a relationship described in
3 this subparagraph is a relationship described in
4 subparagraph (B), (C), (D), (F), or (G) of sec-
5 tion 152(d)(2), except that only a father-in-law,
6 mother-in-law, brother-in-law, or sister-in-law
7 shall be taken into account for purposes of sub-
8 paragraph (G) thereof.

9 “(4) PRINCIPAL RESIDENCE.—The term ‘prin-
10 cipal residence’ has the same meaning as when used
11 in section 121.

12 “(5) SAFE HARBOR FOR DELAYED OCCU-
13 PANCY.—An expenditure shall not be treated as fail-
14 ing to satisfy the requirements of paragraph (1)(A)
15 solely because the dwelling unit is not occupied by
16 any person if such person occupies the dwelling unit
17 not later than the date that is 1 year after the com-
18 pletion of the improvements referred to in such
19 paragraph.

20 “(e) INFLATION ADJUSTMENTS.—

21 “(1) IN GENERAL.—In the case of any taxable
22 year beginning after December 31, 2027, the \$7,500
23 amount in subsection (a)(2), the \$200,000 amount
24 in subsection (b)(1)(A)(ii), and the \$75,000 amount

1 in subsection (b)(1)(B) shall each be increased by an
2 amount equal to—

3 “(A) such dollar amount, multiplied by

4 “(B) the cost-of-living adjustment deter-
5 mined under section 1(f)(3) for the calendar
6 year in which the taxable year begins, deter-
7 mined by substituting ‘calendar year 2026’ for
8 ‘calendar year 2016’ in subparagraph (A)(ii)
9 thereof.

10 “(2) ROUNDING.—If any increase determined
11 under paragraph (1) is not a multiple of \$50, such
12 amount shall be rounded to the nearest multiple of
13 \$50.

14 “(f) CARRYFORWARD OF UNUSED CREDIT.—

15 “(1) IN GENERAL.—If the credit allowable
16 under subsection (a)(1) for any taxable year exceeds
17 the applicable tax limit for such taxable year, such
18 excess shall be a carryover to each of the 5 suc-
19 ceeding taxable years and, subject to the limitations
20 of paragraph (2), shall be added to the credit allow-
21 able by subsection (a)(1) for such succeeding taxable
22 year.

23 “(2) LIMITATION.—The amount of the unused
24 credit which may be taken into account under para-
25 graph (1) for any taxable year shall not exceed the

1 amount (if any) by which the applicable tax limit for
2 such taxable year exceeds the sum of—

3 “(A) the credit allowable under subsection
4 (a)(1) for such taxable year determined without
5 regard to this subsection, and

6 “(B) the amounts which, by reason of this
7 subsection, are carried to such taxable year and
8 are attributable to taxable years before the un-
9 used credit year.

10 “(3) APPLICABLE TAX LIMIT.—For purposes of
11 this subsection, the term ‘applicable tax limit’ means
12 the limitation imposed by section 26(a) for the tax-
13 able year reduced by the sum of the credits allowable
14 under this subpart (other than this section and sec-
15 tion 25D).

16 “(g) SUBSTANTIATION REQUIREMENT.—No credit
17 shall be allowed under this section with respect to any
18 multigenerational home renovation expenditure unless the
19 taxpayer provides the Secretary with such documentation
20 as the Secretary may require to substantiate such expendi-
21 ture.”.

22 (b) CONFORMING AMENDMENTS.—

23 (1) Section 23(c)(1) of such Code is amended
24 by striking “section 25D” and inserting “sections
25 25D and 25G”.

1 (2) Section 25(e)(1)(C) of such Code is amend-
2 ed by striking “and 25F” and inserting “25F, and
3 25G”.

4 (3) Section 25F(f)(1) of such Code is amended
5 by striking “this section, section 23, and section
6 25D” and inserting “this section and sections 23,
7 25D, and 25G”.

8 (4) Section 6211(b)(4)(A) of such Code is
9 amended by inserting “25G by reason of subsection
10 (c) thereof,” before “32,”.

11 (5) Section 1324(b)(2) of title 31, United
12 States Code, is amended by inserting “25G,” after
13 “25A,”.

14 (6) The table of sections for subpart A of part
15 IV of subchapter A of chapter 1 of the Internal Rev-
16 enue Code of 1986 is amended by inserting after the
17 item relating to section 25F the following new item:

“Sec. 25G. Multigenerational home renovation expenditures.”.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 December 31, 2026.