

117TH CONGRESS
2D SESSION

H. R. 7676

To amend the Internal Revenue Code of 1986 to assist homeowners in making safety, security, and accessibility improvements to their homes.

IN THE HOUSE OF REPRESENTATIVES

MAY 6, 2022

Mr. CRIST (for himself and Mr. SUOZZI) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to assist homeowners in making safety, security, and accessibility improvements to their homes.

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 Modification for
5 Accessibility Act of 2022”.

6 **SEC. 2. DISTRIBUTIONS FROM RETIREMENT PLANS IN**
7 **CASE OF CERTAIN ACCESSIBILITY, SECURITY,**
8 **AND SAFETY HOME IMPROVEMENTS.**

9 (a) NOT SUBJECT TO EARLY DISTRIBUTION PEN-
10 ALTY.—Section 72(t)(2) of the Internal Revenue Code of

1 1986 is amended by adding at the end the following new
2 subparagraph:

3 “(I) DISTRIBUTION FROM RETIREMENT
4 PLANS IN CASE OF CERTAIN ACCESSIBILITY, SE-
5 CURITY, AND SAFETY HOME IMPROVEMENTS.—

6 “(i) IN GENERAL.—Any qualified re-
7 tirement home improvement distribution.

8 “(ii) QUALIFIED RETIREMENT HOME
9 IMPROVEMENT DISTRIBUTION.—For pur-
10 poses of this subparagraph, the term
11 ‘qualified retirement home improvement
12 distribution’ means any distribution made
13 before the date on which the employee at-
14 tains age 59½ from an applicable eligible
15 retirement plan (as defined in subpara-
16 graph (H)(vi)(I)) to the extent such dis-
17 tributions do not exceed for the taxable
18 year amounts paid or incurred—

19 “(I) by the individual with re-
20 spect to the individual’s primary resi-
21 dence (within the meaning of section
22 121), and

23 “(II) to improve for aging or dis-
24 abled adults the accessibility, security,
25 or safety of such residence.

1 “(iii) LIMITATION.—The aggregate
 2 amount which may be treated as qualified
 3 retirement home improvement distributions
 4 by any individual for all taxable years shall
 5 not exceed \$30,000.

6 “(iv) SPECIAL RULES.—For purposes
 7 of this subparagraph—

8 “(I) EXEMPTION OF DISTRIBUTIONS FROM TRUSTEE TO TRUSTEE
 9 TRANSFER AND WITHHOLDING
 10 RULES.—For purposes of sections
 11 401(a)(31), 402(f), and 3405, a quali-
 12 fied retirement home improvement
 13 distribution shall not be treated as an
 14 eligible rollover distribution.
 15

16 “(II) DISTRIBUTIONS TREATED
 17 AS MEETING PLAN DISTRIBUTION RE-
 18 QUIREMENTS.—Any qualified retire-
 19 ment home improvement distribution
 20 shall be treated as meeting the re-
 21 quirements of sections
 22 401(k)(2)(B)(i), 403(b)(7)(A)(ii),
 23 403(b)(11), and 457(d)(1)(A).”.

1 (b) EXCLUDED FROM GROSS INCOME.—Part III of
 2 subchapter B of chapter 1 of such Code is amended by
 3 inserting before section 140 the following new section:

4 **“SEC. 139J. QUALIFIED RETIREMENT HOME IMPROVEMENT**
 5 **DISTRIBUTIONS.**

6 “Gross income shall not include any amount treated
 7 as a qualified retirement home improvement distribution
 8 under section 72(t)(2)(I).”.

9 (c) EFFECTIVE DATE.—The amendments made by
 10 this section shall apply to distributions made after Decem-
 11 ber 31, 2021.

12 **SEC. 3. RETIREMENT HOME IMPROVEMENT DEDUCTION.**

13 (a) IN GENERAL.—Part VII of subchapter B of chap-
 14 ter 1 of the Internal Revenue Code of 1986 is amended
 15 by redesignating section 224 as section 225 and by insert-
 16 ing after section 223 the following new section:

17 **“SEC. 224. RETIREMENT HOME IMPROVEMENT DEDUCTION.**

18 “(a) IN GENERAL.—In the case of an individual,
 19 there shall be allowed as a deduction for the taxable year
 20 an amount equal to the qualified retirement home im-
 21 provement expenditures of the taxpayer for the taxable
 22 year.

23 “(b) LIMITATION.—The amount of qualified retire-
 24 ment home improvement expenditures taken into account

1 under subsection (a) for the taxable year shall not exceed
2 an amount equal to the excess (if any) of—

3 “(1) \$30,000, over

4 “(2) the sum of—

5 “(A) the aggregate amount of qualified re-
6 tirement home improvement expenditures taken
7 into account by the individual under subsection
8 (a) for all preceding taxable years, and

9 “(B) the aggregate amount taken into ac-
10 count under section 72(t)(2)(I) by the indi-
11 vidual in determining whether a distribution is
12 a qualified retirement home improvement dis-
13 tribution that is excluded from gross income
14 under section 139J.

15 “(c) QUALIFIED RETIREMENT HOME IMPROVEMENT
16 EXPENDITURES.—For purposes of this section, the term
17 ‘qualified retirement home improvement expenditures’
18 means amounts paid or incurred—

19 “(1) by an individual who has attained the age
20 of 59½,

21 “(2) with respect to the individual’s primary
22 residence (within the meaning of section 121), and

23 “(3) to improve for aging or disabled adults the
24 accessibility, security, or safety of such residence.”.

1 (b) DEDUCTION ALLOWED WITHOUT REGARD TO
 2 WHETHER TAXPAYER ITEMIZES.—Section 62(a) of such
 3 Code is amended by inserting after paragraph (21) the
 4 following new paragraph:

5 “(22) RETIREMENT HOME IMPROVEMENTS.—
 6 The deduction allowed by section 224.”.

7 (c) DEDUCTION NOT ALLOWED FOR PURPOSES OF
 8 ALTERNATIVE MINIMUM TAX.—Section 56(b)(1)(A) of
 9 such Code is amended by striking “or” at the end of
 10 clause (i), by striking the period at the end of clause (ii)
 11 and inserting “, or”, and by inserting after clause (ii) (as
 12 so amended) the following:

13 “(iii) the deduction allowed by section
 14 224.”.

15 (d) CLERICAL AMENDMENT.—The table of sections
 16 for part VII of subchapter B of chapter 1 of such Code
 17 is amended by striking the item relating to section 224
 18 and inserting the following:

“Sec. 224. Retirement home improvement deduction.

“Sec. 225. Cross reference.”.

19 (e) EFFECTIVE DATE.—The amendments made by
 20 this section shall apply to amounts paid or incurred after
 21 December 31, 2022.

1 **SEC. 4. RECEIPT AND REPORTING REQUIREMENTS FOR**
2 **TAX BENEFITS RELATING TO RETIREMENT**
3 **HOME IMPROVEMENTS.**

4 (a) ESTABLISHMENT OF RECEIPT REQUIRE-
5 MENTS.—The Secretary of the Treasury shall, not later
6 than 90 days after the date of the enactment of this Act,
7 prescribe such receipt requirements as may be necessary
8 to carry out the purposes and prevent the abuse of sec-
9 tions 72(t)(2)(I) and 224 of the Internal Revenue Code
10 of 1986 (as added by this Act).

11 (b) REPORTS BY SECRETARY.—The Secretary of the
12 Treasury shall, not later than November 30, 2023, and
13 annually thereafter, submit to Congress a report detailing
14 the extent to which taxpayers use sections 72(t)(2)(I) and
15 224.

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