

119TH CONGRESS
1ST SESSION

H. R. 4115

To amend the Internal Revenue Code of 1986 to exclude certain discharges of indebtedness secured by real property from income.

IN THE HOUSE OF REPRESENTATIVES

JUNE 24, 2025

Ms. TENNEY (for herself, Mr. TONKO, Mr. LAWLER, and Mr. RYAN) 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 exclude certain discharges of indebtedness secured by real property from income.

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 “Saving Our Mainstreet
5 American Locations for Leisure and Shopping Act of
6 2025”, or the “Saving Our MALLS Act”.

1 **SEC. 2. EXCLUDING DISCHARGE OF COMMERCIAL OR RE-**
2 **TAIL INDEBTEDNESS FROM INCOME.**

3 (a) IN GENERAL.—Section 108(a)(1) of the Internal
4 Revenue Code of 1986 is amended by striking “or” at the
5 end of subparagraph (D), by striking the period at the
6 end of subparagraph (E)(ii) and inserting “, or”, and by
7 adding at the end the following new subparagraph:

8 “(F) the indebtedness discharged is quali-
9 fied commercial or retail indebtedness.”.

10 (b) COMMERCIAL OR RETAIL INDEBTEDNESS DE-
11 FINED.—Section 108 of such code is amended by adding
12 at the end the following new subsection:

13 “(j) COMMERCIAL OR RETAIL INDEBTEDNESS DE-
14 FINED.—For purposes of this section:

15 “(1) IN GENERAL.—The term qualified ‘com-
16 mercial or retail indebtedness’ means indebtedness
17 which is—

18 “(A) incurred or assumed by the taxpayer
19 before March 1, 2023,

20 “(B) discharged during the period begin-
21 ning on December 31, 2023, and ending on
22 January 1, 2028, and

23 “(C) secured directly or indirectly by speci-
24 fied real property of the taxpayer at all times
25 after such indebtedness was so incurred or as-
26 sumed and before such discharge.

1 “(2) SPECIFIED REAL PROPERTY.—The term
 2 ‘specified real property’ means real property which
 3 is—

4 “(A) used in a trade or business of the
 5 taxpayer,

6 “(B) not described in section
 7 168(b)(3)(B), and

8 “(C) not described in section
 9 144(c)(6)(B).”.

10 (c) COORDINATION OF EXCLUSIONS.—

11 (1) Section 108(a)(2)(A) of such Code is
 12 amended by striking “and (E)” and inserting “(E),
 13 and (F)”.

14 (2) Section 108(a)(2)(B) is amended—

15 (A) in the header, by striking “AND QUALI-
 16 FIED REAL PROPERTY BUSINESS EXCLUSION”
 17 and inserting “, QUALIFIED REAL PROPERTY
 18 BUSINESS EXCLUSION, AND QUALIFIED COM-
 19 MERCIAL OR RETAIL INDEBTEDNESS”, and

20 (B) by striking “and (D)” and inserting
 21 “(D), and (F)”.

22 (d) REDUCTION OF TAX ATTRIBUTES.—Section
 23 108(b)(1) is amended by striking “or (C)” and inserting
 24 “(C), or (F)”.

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section apply to discharges of indebtedness occurring
3 on or after December 31, 2023.

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