

119TH CONGRESS
2D SESSION

H. R. 7400

To amend the Internal Revenue Code of 1986 to exclude all gain from the sale of a principal residence or any residence which is sold to a first-time homebuyer, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 2026

Ms. MACE (for herself and Ms. BOEBERT) 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 all gain from the sale of a principal residence or any residence which is sold to a first-time homebuyer, and for other purposes.

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 “Making Homeowner-
5 ship Affordable Again Act”.

1 **SEC. 2. FULL EXCLUSION OF GAIN FROM SALE OF PRIN-**
 2 **CIPAL RESIDENCE OR RESIDENCE SOLD TO**
 3 **FIRST-TIME HOMEBUYER.**

4 (a) **ELIMINATION OF DOLLAR LIMITATIONS ON EX-**
 5 **CLUSION OF GAIN.—**

6 (1) **IN GENERAL.—**Section 121(b) of the Inter-
 7 nal Revenue Code of 1986 is amended—

8 (A) by striking paragraphs (1), (2), and
 9 (4), and

10 (B) by redesignating paragraphs (3) and
 11 (5) as paragraphs (1) and (2), respectively.

12 (2) **CONFORMING AMENDMENTS.—**

13 (A) Section 121(c) of such Code is amend-
 14 ed—

15 (i) in paragraph (1), by striking “,
 16 and subsection (b)(3)” and all that follows
 17 through “2 years” and inserting “, and
 18 subsection (b)(1), shall not apply”, and

19 (ii) in paragraph (2)(A)(ii), by strik-
 20 ing “subsection (b)(3)” and inserting
 21 “subsection (b)(1)”.

22 (B) Section 121(d) of such Code is amend-
 23 ed—

24 (i) in paragraph (9)(A), by striking
 25 “in subsections (a) and (c)(1)(B)” and in-
 26 serting “in subsection (a)”, and

1 (ii) in paragraph (12)(A), by striking
 2 “in subsections (a) and (c)(1)(B)” and in-
 3 serting “in subsection (a)”.

4 (b) ALLOWANCE OF EXCLUSION OF GAIN FROM
 5 SALES TO FIRST-TIME HOMEBUYERS.—

6 (1) IN GENERAL.—Section 121(c)(2)(B) of such
 7 Code is amended—

8 (A) by striking “exchange is by reason of”
 9 and inserting “exchange is—

10 “(i) by reason of”,

11 (B) by striking “unforeseen cir-
 12 cumstances.” and inserting “unforeseen cir-
 13 cumstances, or”, and

14 (C) by adding at the end the following:

15 “(ii) to a first-time homebuyer.”.

16 (2) FIRST-TIME HOMEBUYER.—Section 121(c)
 17 of such Code, as amended by the preceding provi-
 18 sions of this Act, is amended by adding at the end
 19 the following new paragraph:

20 “(3) FIRST-TIME HOMEBUYER.—For purposes
 21 of this subsection, the term ‘first-time homebuyer’
 22 means any individual if such individual (and if mar-
 23 ried, such individual’s spouse) had no present owner-
 24 ship interest in a principal residence during the 3-
 25 year period ending on the date of the sale or ex-

1 change of the property to which this subsection ap-
2 plies.”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to sales and exchanges made after
5 the date of the enactment of this Act.

