

119TH CONGRESS
1ST SESSION

S. 1687

To amend the Internal Revenue Code of 1986 to provide an exception to percentage of completion method of accounting for certain residential construction contracts.

IN THE SENATE OF THE UNITED STATES

MAY 8, 2025

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

A BILL

To amend the Internal Revenue Code of 1986 to provide an exception to percentage of completion method of accounting for certain residential construction contracts.

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 “Fair Accounting for
5 Condominium Construction Act”.

1 **SEC. 2. EXCEPTION TO PERCENTAGE OF COMPLETION**
2 **METHOD OF ACCOUNTING FOR CERTAIN RES-**
3 **IDENTIAL CONSTRUCTION CONTRACTS.**

4 (a) IN GENERAL.—Section 460(e) of the Internal
5 Revenue Code of 1986 is amended—

6 (1) in paragraph (1)—

7 (A) by striking “home construction con-
8 tract” both places it appears and inserting
9 “residential construction contract”, and

10 (B) by inserting “(determined by sub-
11 stituting ‘3-year’ for ‘2-year’ in subparagraph
12 (B)(i) for any residential construction contract
13 which is not a home construction contract)”
14 after “the requirements of clauses (i) and (ii) of
15 subparagraph (B)”,

16 (2) by striking paragraph (4) and redesignating
17 paragraph (5) as paragraph (4), and

18 (3) in subparagraph (A) of paragraph (4), as so
19 redesignated, by striking “paragraph (4)” and in-
20 serting “paragraph (3)”.

21 (b) APPLICATION OF EXCEPTION FOR PURPOSES OF
22 ALTERNATIVE MINIMUM TAX.—Section 56(a)(3) of such
23 Code is amended by striking “any home construction con-
24 tract (as defined in section 460(e)(6))” and inserting “any
25 residential construction contract (as defined in section
26 460(e)(4))”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to contracts entered into after the
3 date of the enactment of this Act.

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