

118TH CONGRESS
2D SESSION

H. R.

To amend the Internal Revenue Code of 1986 to disallow the deduction of certain expenses relating to ownership of single-family homes by specified large investors, to impose an excise tax on the sale of such homes by such investors,, and to prohibit Federal mortgage assistance relating to certain large investors.

IN THE HOUSE OF REPRESENTATIVES

A BILL

To amend the Internal Revenue Code of 1986 to disallow the deduction of certain expenses relating to ownership of single-family homes by specified large investors, to impose an excise tax on the sale of such homes by such investors, , and to prohibit Federal mortgage assistance relating to certain large investors.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Stop Wall Street Landlords Act of 2024”.

SEC. 2. DISALLOWANCE OF DEDUCTION OF CERTAIN EXPENSES RELATED TO SINGLE-FAMILY HOMES HELD BY SPECIFIED LARGE INVESTORS.

(a) IN GENERAL.—Part IX of subchapter B of Chapter 1 of subtitle A of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

“SEC. 280I. CERTAIN EXPENSES RELATED TO SINGLE-FAMILY HOMES HELD BY SPECIFIED LARGE INVESTORS.

“(a) IN GENERAL.—In the case of a specified large investor, no deduction shall be allowed under this chapter for the following expenses relating to the ownership of a single-family home:

“(1) Amounts paid or incurred for the interest on a mortgage relating to such single-family home or to insure such single-family home.

“(2) Depreciation of such single-family home.

“(b) SPECIFIED LARGE INVESTOR.—For purposes of this section—

“(1) IN GENERAL.—The term ‘specified large investor’ means any person for any taxable year if the aggregate fair market value of all assets of such person (reduced by the aggregate debts of the taxpayer) exceeds \$100,000,000 at any time during such taxable year.

“(2) TREATMENT OF CONTROLLED GROUPS.—For purposes of this subsection—

“(A) IN GENERAL.—All persons which are part of a controlled group (within the meaning of section 1563(a) applied by substituting ‘more than 50 percent’ for ‘at least 80 percent’ each place it appears) shall be treated as 1 person.

“(B) NONINCORPORATED PERSONS UNDER COMMON CONTROL.—Under regulations or other guidance provided by the Secretary, principles similar to the principles of subparagraph (A) shall apply to a group of persons under common control where 1 or more of such persons is not a corporation.

“(3) GOVERNMENT ENTITIES AND CERTAIN TAX-EXEMPT ENTITIES.—Such term shall not include either of the following:

“(A) Any governmental entity.

“(B) Any organization which is described in section 501(c)(3) and exempt from tax under section 501(a).

“(c) SINGLE-FAMILY HOME.—

“(1) IN GENERAL.—For purposes of this section, the term ‘single-family home’ means any real property located in the United States if such property includes at least 1 dwelling unit and not more than 4 dwelling units.

“(2) EXCEPTION FOR FEDERALLY-ASSISTED BUILDINGS.—For purposes of this section—

“(A) IN GENERAL.—Such term shall not include any federally-assisted building.

“(B) FEDERALLY-ASSISTED BUILDING.—The term ‘federally-assisted building’ means any building—

“(C) which is substantially assisted, financed, or operated under section 8 of the United States Housing Act of 1937, section 221(d)(3), 221(d)(4), or 236 of the National Housing Act, section 515 of the Housing Act of 1949, or any other housing program administered by the Department of Housing and Urban Development or by the Rural Housing Service of the Department of Agriculture,

“(D) with respect to which a credit is allowed to the taxpayer under section 42, or

“(E) for which financing is provided by a qualified bond (within the meaning of section 141).

“(d) EXCEPTIONS.—

“(1) PRINCIPAL RESIDENCE.—In the case of a specified large investor who is an individual, subsection (a) shall not apply to any single-family home if such home is used as the principal residence of such investor.

“(2) ORIGINAL CONSTRUCTION OR SUBSTANTIAL REHABILITATION.—Subsection (a) shall not apply with respect to a single-family home originally constructed or substantially rehabilitated (as defined in section 47(c)) by the taxpayer.”.

(b) CLERICAL AMENDMENT.—The table of sections for part IX of subchapter B of chapter 1 of such Code is amended by inserting after the item relating to section 280H the following new item:

“Sec. 280I. Certain expenses related to single-family homes held by specified large investors.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred and depreciation that occurs after the date that is 18 months after the date of the enactment of this Act.

SEC. 3. EXCISE TAX ON TRANSFERS OF SINGLE-FAMILY HOMES BY SPECIFIED LARGE INVESTORS.

(a) IN GENERAL.—Subchapter C of chapter 36 of subtitle D of the Internal Revenue Code of 1986 is amended to read as follows:

“Subchapter C—Tax On Transfers Of Single-Family Homes By Specified Large Investors

“Sec. 4471. Tax on transfers of single-family homes by specified large investors.

“SEC. 4471. TAX ON TRANSFERS OF SINGLE-FAMILY HOMES BY SPECIFIED LARGE INVESTORS.

“(a) IN GENERAL.—There is hereby imposed a tax on the sale or transfer of a single-family home by a specified large investor in an amount equal to the sale price of the single-family home.

“(b) SPECIFIED LARGE INVESTOR; SINGLE FAMILY HOME.—For purposes of this section, the terms ‘specified large investor’ and ‘single-family home’ shall have the respective meanings given such terms in section 280I.

“(c) SPECIAL RULES.—Rules similar to the rules of subsections (b)(2), (d)(1), and (d)(2) of 280I shall apply for purposes of this section.”.

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 36 of subtitle D of such Code is amended by adding after the item relating to subchapter B the following new item:

“Subchapter C. Tax on Transfers of Single-Family Homes by Specified Large Investors.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales and transfers occurring after the date that is 18 months after the date of the enactment of this Act.

Sec. 4. Low-Income Housing Assistance.—

(a) DEPOSIT OF FUNDS.—Amounts collected in any penalty under Section 3 shall be deposited in the Housing Trust Fund established under section 1338 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4568).

(b) USE OF FUNDS.—To the extent provided for in advance in appropriations Acts, the amounts deposited in the Fund shall be used to increase and preserve the supply of

rental housing affordable to extremely low- and very low-income families, including homeless families, in accordance with such section 1338.

SEC. 5. PROHIBITIONS ON FEDERAL MORTGAGE ASSISTANCE.

(a) FANNIE MAE AND FREDDIE MAC.—Subpart A of part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 () is amended by adding at the end the following new section:

“SEC. 1329. PROHIBITION RELATING TO SPECIFIED LARGE INVESTORS.

“The Director shall, by regulation, prohibit the enterprises from newly purchasing any mortgage on a single family housing or any portion thereof (or any interest in such a mortgage), and from newly lending on the security of or securitizing any such mortgage under which the mortgagee is a specified large investor (as such term is defined in of the Internal Revenue Code of 1986).”.

(b) GINNIE MAE.—Section 302(c) of the National Housing Act () is amended by adding at the end the following new paragraph:

“(6) The Association may not newly guarantee the payment of principal of or interest on any trust certificate or other security based or backed by a trust or pool that contains, or purchase or acquire, any mortgage under which the mortgagee is a specified large investor (as such term is defined in of the Internal Revenue Code of 1986).”.