

**Amendment to the Amendment in the Nature of a Substitute to Ways and Means
Committee Print Providing for Reconciliation Pursuant To H.Con.Res.14 (Title XI)**

Offered by Rep. Gomez

The American Homeownership Opportunity Act

First Time Homebuyer Credit

This amendment would amend the the first-time homebuyer credit (IRC Section 36) to allow a credit of \$25,000 for a first-time homebuyer purchasing a home, or \$50,000 for a first-generation homebuyer purchasing a home, subject to a phaseout for high incomes, and a formula to increase the credit for purchases in a high cost area as defined in the Federal National Mortgage Association Charter Act. All dollar amounts would be subject to inflation adjustments.

The amendment will allow taxpayers to elect for advanced payment of the first-time homebuyer credit directly to a qualifying escrow account when closing a purchase of a property.

Starter Home Construction Credit

This amendment would add a new Starter Home Construction Credit as a new section 45BB of the IRC. The credit allowable to a taxpayer would be equal to 15 percent of qualified home construction costs for units of housing that do not exceed 1200 feet and whose sale prices do not exceed 80 percent of the area median home price. This percentage would be boosted to 30 percent if the unit of housing is sold to a first-time homebuyer. Dollar amounts would be subject to inflation adjustments.

The credit would be allocated by state housing credit agencies, with a state stater home construction credit ceiling of \$30 multiplied by the population of the state. Procedures are laid out for the reallocation of unused stater home construction credit amounts and adjusting state starter home construction credit ceilings for states where allocations do not result in a finished unit with a certificate of occupancy by 2 years after allocation. Further provisions define the process for allocations to Indian Tribal Governments.

AMENDMENT**OFFERED BY M**____.

At the end of part 2 of subtitle A, add the following
new sections:

1 SEC. 110116. FIRST-TIME HOMEBUYER CREDIT.

2 (a) IN GENERAL.—Section 36 is amended to read as
3 follows:

4 “SEC. 36. FIRST-TIME HOMEBUYER CREDIT.

5 “(a) IN GENERAL.—In the case of an individual who
6 is a first-time homebuyer of a principal residence in the
7 United States during a taxable year, there shall be allowed
8 as a credit against the tax imposed by this subtitle for
9 such taxable year an amount equal to so much of the
10 amount of the qualified home purchase expenses paid by
11 such taxpayer to purchase such principal residence as does
12 not exceed \$25,000.

13 “(b) LIMITATION.—

14 “(1) IN GENERAL.—The amount allowable as a
15 credit under subsection (a) (determined without re-
16 gard to this paragraph) for the taxable year shall be
17 reduced (but not below zero) by the amount which
18 bears the same ratio to the amount which is so al-
19 lowable as—

1 “(A) the excess (if any) of—

2 “(i) the taxpayer’s modified adjusted
3 gross income for the preceding taxable
4 year, over

5 “(ii) the applicable threshold amount,
6 bears to—

7 “(B) \$100,000.

8 “(2) THRESHOLD AMOUNT.—For purposes of
9 this subsection, the term ‘threshold amount’
10 means—

11 “(A) \$300,000 in the case of a joint return
12 or surviving spouse,

13 “(B) \$225,000 in the case of a head of
14 household, or

15 “(C) \$150,000 in the case of any other in-
16 dividual.

17 “(3) MODIFIED ADJUSTED GROSS INCOME.—

18 For purposes of paragraph (1), the term ‘modified
19 adjusted gross income’ means the adjusted gross in-
20 come of the taxpayer for the taxable year increased
21 by any amount excluded from gross income under
22 section 911, 931, or 933.

23 “(c) INCREASE IN CREDIT FOR FIRST-GENERATION
24 HOMEBUYER.—

1 “(1) IN GENERAL.—In the case of a first-gen-
2 eration homebuyer, subsection (a) shall be applied
3 by substituting ‘\$50,000’ for ‘\$25,000’.

4 “(2) FIRST-GENERATION HOMEBUYER.—For
5 purposes of this subsection, the term ‘first-genera-
6 tion homebuyer’ means an individual who certifies
7 that, as of the last day of the taxable year with re-
8 spect to which the credit is allowed (determined
9 without regard to any ownership interest with re-
10 spect to which such credit is allowed), such indi-
11 vidual (and such individual’s spouse, in the case of
12 a joint return) is an individual described in para-
13 graph (3).

14 “(3) INDIVIDUAL DESCRIBED.—An individual is
15 described in this paragraph if—

16 “(A) such individual aged out of the foster
17 care system,

18 “(B) such individual was emancipated
19 from their parent, or

20 “(C) no parent of such individual had a major-
21 ity interest in a residential property at any time dur-
22 ing the lifetime of such individual.

23 “(d) INCREASE IN CREDIT FOR HIGH COST
24 AREAS.—In the case of the purchase of a principal resi-
25 dence located in a high cost area (as such term is used

1 in the Federal National Mortgage Association Charter
2 Act), the amount in effect under subsection (a) (after the
3 application of subsection (j)) shall be increased by an
4 amount equal to the product of—

5 “(1) 3.5 percent, multiplied by

6 “(2) the excess of—

7 “(A) the conforming loan limit value for
8 properties in high cost areas established under
9 302(b)(2) of the Federal National Mortgage As-
10 sociation Charter Act, minus

11 “(B) the conforming loan limit value for
12 properties established under section 305(a)(2)
13 of the Federal Home Loan Mortgage Corpora-
14 tion Act, as most recently updated by the Fed-
15 eral Housing Finance Agency.

16 “(e) EXCEPTIONS.—No credit under subsection (a)
17 shall be allowed to any taxpayer for any taxable year with
18 respect to the purchase of a residence if—

19 “(1) the taxpayer is a nonresident alien,

20 “(2) the taxpayer disposes of such residence (or
21 such residence ceases to be the principal residence of
22 the taxpayer (and, if married, the taxpayer’s
23 spouse)) before the close of such taxable year,

1 “(3) a deduction under section 151 with respect
2 to such taxpayer is allowable to another taxpayer for
3 such taxable year, or

4 “(4) the taxpayer fails to attach to the return
5 of tax for such taxable year a properly executed copy
6 of the settlement statement used to complete such
7 purchase.

8 “(f) ELECTION FOR ADVANCED PAYMENT.—

9 “(1) IN GENERAL.—At the election of the first-
10 time homebuyer, the Secretary shall transfer to a
11 qualifying escrow account an amount equal to the
12 amount that is allowable to such first-time home-
13 buyer under subsection (a) in the present taxable
14 year.

15 “(2) TREATMENT OF TRANSFER.—The amount
16 of the credit allowed under subsection (a) to any
17 taxpayer for any taxable year shall be reduced (but
18 not below zero) by the aggregate amount of pay-
19 ments made under this subsection at the election of
20 such taxpayer during such taxable year. Any failure
21 to so reduce the credit shall be treated as arising out
22 of a mathematical or clerical error and assessed ac-
23 cording to section 6213(b)(1).

24 “(3) QUALIFYING ESCROW ACCOUNT.—For pur-
25 poses of this subsection, the term ‘qualifying escrow

1 account’ means an escrow account established for
2 the purchase of a principal residence by a qualified
3 first-time homebuyer that meets the following re-
4 quirements:

5 “(A) Amounts in such account may only be
6 used for a down payment or closing costs on a
7 purchase with respect to which a credit is al-
8 lowed under subsection (a).

9 “(B) Such account is administered by a
10 bank (as defined in section 408(n)).

11 “(C) The administrator of the account
12 shall transfer to the Secretary any amount in
13 such account not used under subparagraph (A)
14 on the earlier of—

15 “(i) the date that is 180 days after
16 the date on which such amount was trans-
17 ferred to such account under paragraph
18 (1), or

19 “(ii) as soon as practicable upon re-
20 quest of the qualified first-time homebuyer.

21 “(g) RECAPTURE OF CREDIT.—

22 “(1) IN GENERAL.—If, during any taxable year,
23 there is a recapture event with respect to any prop-
24 erty with respect to which a credit was allowed
25 under subsection (a), then the tax of the taxpayer to

1 whom such credit was allowed under this chapter for
2 such taxable year shall be increased by an amount
3 equal to the amount of the credit that was allowed
4 with respect to such property.

5 “(2) RECAPTURE EVENT.—For purposes of this
6 section, the term ‘recapture event’ means, during the
7 5-year period beginning on the date of the purchase
8 with respect to which a credit was allowed under
9 subsection (a)—

10 “(A) the sale, lease to a third party, or dis-
11 position of any part of the property with respect
12 to which such credit was allowed, or

13 “(B) such property ceases to be the prin-
14 cipal residence of the taxpayer (or, in the case
15 of a joint return, of the taxpayer’s spouse).

16 “(3) EXCEPTIONS.—Paragraph (1) shall not
17 apply to any of the following:

18 “(A) PURCHASE OF NEW PRIMARY RESI-
19 DENCE.—

20 “(i) IN GENERAL.—A sale of a prop-
21 erty with respect to which a credit was al-
22 lowed under subsection (a) which is inci-
23 dent to the purchase by a taxpayer of a
24 new primary residence if the proceeds of

1 such sale are used to carry out the pur-
2 chase of such new primary residence.

3 “(ii) TREATMENT OF NEW PRIMARY
4 RESIDENCE.—In the case of a purchase of
5 a primary residence described in clause (i),
6 for purposes of paragraph (1), such pri-
7 mary residence shall be treated as a prop-
8 erty with respect to which a credit was al-
9 lowed under subsection (a), except that the
10 period described in paragraph (2) shall
11 begin on the date on which the original
12 purchase with respect to which the credit
13 was allowed under subsection (a) occurred.

14 “(B) DEATH.—Any taxable year ending
15 after the death of the taxpayer (or, in the case
16 of a joint return, of the spouse of the taxpayer).

17 “(C) DIVORCE.—A transfer of a residence
18 to which section 1041(a) applies.

19 “(D) GOVERNMENT ORDERS.—A recapture
20 event relating to a principal residence occurring
21 in connection with Government orders received
22 by such individual, or such individual’s spouse,
23 for qualified official extended duty service.

24 “(E) QUALIFIED OFFICIAL EXTENDED
25 DUTY SERVICE.—For purposes of this para-

1 graph, the term ‘qualified official extended duty
2 service’ means service on qualified official ex-
3 tended duty as—

4 “(i) a member of the uniformed serv-
5 ices,

6 “(ii) a member of the Foreign Service
7 of the United States, or

8 “(iii) an employee of the intelligence
9 community.

10 “(h) DEFINITIONS.—For purposes of this section—

11 “(1) FIRST-TIME HOMEBUYER.—The term
12 ‘first-time homebuyer’ means any individual if such
13 individual (and if married, such individual’s
14 spouse)—

15 “(A) had no present ownership interest in
16 a principal residence during the 10-year period
17 ending on the date of the purchase of the prin-
18 cipal residence to which this section applies,

19 “(B) has not been allowed a credit under
20 subsection (a) for any preceding taxable year,
21 and

22 “(C) attests that such individual (and if
23 married, such individual’s spouse) has never
24 had a majority interest in a residential prop-
25 erty.

1 “(2) PRINCIPAL RESIDENCE.—The term ‘prin-
2 cipal residence’ has the same meaning as when used
3 in section 121.

4 “(3) PURCHASE.—

5 “(A) IN GENERAL.—The term ‘purchase’
6 means any acquisition, but only if—

7 “(i) the property is purchased using a
8 mortgage loan from a commercial lender,

9 “(ii) the property is not acquired from
10 a person related to the person acquiring
11 such property (or, if married, such individ-
12 ual’s spouse), and

13 “(iii) the basis of the property in the
14 hands of the person acquiring such prop-
15 erty is not determined—

16 “(I) in whole or in part by ref-
17 erence to the adjusted basis of such
18 property in the hands of the person
19 from whom acquired, or

20 “(II) under section 1014(a).

21 “(B) CONSTRUCTION.—A residence which
22 is constructed by the taxpayer shall be treated
23 as purchased by the taxpayer on the date the
24 taxpayer first occupies such residence.

1 “(C) GUARANTEED LOANS INCLUDED.—A
2 loan shall not fail to be treated as a mortgage
3 loan from a commercial lender under subpara-
4 graph (A)(i) merely because such loan is guar-
5 anteed under section 184 of the Housing and
6 Community Development Act of 1992.

7 “(4) QUALIFIED HOME PURCHASES EX-
8 PENSES.—The term ‘qualified home purchase ex-
9 penses’ means amounts paid for—

10 “(A) a down payment on the purchase of
11 a home, and

12 “(B) closing costs with respect to such
13 purchase.

14 “(5) RELATED PERSONS.—A person shall be
15 treated as related to another person if the relation-
16 ship between such persons would result in the dis-
17 allowance of losses under section 267 or 707(b) (but,
18 in applying section 267(b) and (c) for purposes of
19 this section, paragraph (4) of section 267(c)(4) shall
20 be treated as providing that the family of an indi-
21 vidual shall include only his spouse, ancestors, and
22 lineal descendants).

23 “(i) BASIS ADJUSTMENT.—For purposes of this sub-
24 title, if a credit is allowed under this section in connection
25 with any expenditure for any property, the increase in the

1 basis of such property which would (but for this sub-
2 section) result from such expenditure shall be reduced by
3 the amount of the credit so determined.

4 “(j) INFLATION ADJUSTMENT.—

5 “(1) IN GENERAL.—in the case of any taxable
6 year beginning after 2025, the dollar amounts in
7 this section shall be increased by an amount equal
8 to—

9 “(A) such dollar amount, multiplied by

10 “(B) the cost-of-living adjustment deter-
11 mined under section 1(f)(3) for the calendar
12 year in which the taxable year begins, deter-
13 mined by substituting ‘calendar year 2024’ for
14 calendar year 2016 in subparagraph (A)(ii).

15 “(2) ROUNDING.—If any increase under para-
16 graph (1) is not a multiple of \$100, such increase
17 shall be rounded to the nearest multiple of \$100.

18 “(k) REPORTING.—

19 “(1) IN GENERAL.—If the Secretary requires
20 information reporting under section 6045 by a per-
21 son described in subsection (e)(2) thereof to verify
22 the eligibility of taxpayers for the credit allowable by
23 this section, the exception provided by section
24 6045(e) shall not apply.

1 “(2) INFORMATION FROM LENDER.—The Sec-
2 retary may require any lender issuing a loan for the
3 purchase of a property with respect to which a credit
4 is allowed under subsection (a) or with respect to
5 which a first-time homebuyer has made a request for
6 a transfer under subsection (f)(1) to provide such in-
7 formation relating to the related purchase as the
8 Secretary determines appropriate.

9 “(l) REGULATIONS.—The Secretary shall issue such
10 regulations or other guidance as may be necessary or ap-
11 propriate to carry out the purposes of this section.”.

12 (b) EFFECTIVE DATE.—The amendment made by
13 this section shall apply to residences purchased in taxable
14 years beginning after the date of the enactment of this
15 Act.

16 **SEC. 110117. STARTER HOME CONSTRUCTION CREDIT.**

17 (a) IN GENERAL.—Subpart D of part IV of sub-
18 chapter A of chapter 1 is amended by adding at the end
19 the following new section:

20 **“SEC. 45BB. STARTER HOME CONSTRUCTION CREDIT.**

21 “(a) IN GENERAL.—For the purposes of section 38,
22 the starter home construction credit determined under this
23 section for any taxable year is an amount equal to 15 per-
24 cent of the qualified home construction costs of the tax-
25 payer for the taxable year.

1 “(b) LIMITATION.—The amount allowable as a credit
2 under subsection (a) to any taxpayer for any taxable year
3 shall not exceed the amount allocated to such taxpayer for
4 the calendar year in which such taxable year ends under
5 subsection (e).

6 “(c) INCREASE FOR FIRST-TIME HOMEBUYER.—In
7 the case of a unit of housing sold to a first-time home-
8 buyer (as defined in section 36(g)(1)), subsection (a) shall
9 be applied by substituting ‘30 percent’ for ‘15 percent’.

10 “(d) QUALIFIED HOME CONSTRUCTION COSTS.—For
11 purposes of this section, the term ‘qualified home con-
12 struction costs’ means, with respect to a taxable year,
13 amounts paid or incurred by the taxpayer for labor and
14 material costs to construct a unit of housing placed in
15 service during such taxable year—

16 “(1) the total square footage of which does not
17 exceed 1200 feet, and

18 “(2) the sale price of which does not exceed 80
19 percent of the area median home price.

20 “(e) STATE ALLOCATION.—

21 “(1) IN GENERAL.—The aggregate starter
22 home construction credit dollar amount which a
23 housing credit agency may allocate for any calendar
24 year is the portion of the State starter home con-

1 struction credit ceiling allocated under this sub-
2 section for such calendar year to such agency.

3 “(2) STATE CEILING INITIALLY ALLOCATED TO
4 STATE HOUSING CREDIT AGENCIES.—The State
5 starter home construction credit ceiling for each cal-
6 endar year shall be allocated to the housing credit
7 agency of such State. If there is more than 1 hous-
8 ing credit agency of a State, all such agencies shall
9 be treated as a single agency.

10 “(3) STATE STARTER HOME CONSTRUCTION
11 CREDIT CEILING.—For purposes of this subsection,
12 the State starter home construction credit ceiling ap-
13 plicable to any State for any calendar year shall be
14 an amount equal to \$30 multiplied by the population
15 of the State (determined in accordance with section
16 146(j)).

17 “(4) REALLOCATION OF UNUSED STARTER
18 HOME CONSTRUCTION CREDIT AMOUNTS AMONG
19 STATES.—

20 “(A) IN GENERAL.—The unused starter
21 home construction credit amount of a State for
22 any calendar year shall be assigned by the Sec-
23 retary for allocation among qualified States for
24 the succeeding calendar year.

1 “(B) UNUSED STARTER HOME CONSTRUC-
2 TION CREDIT AMOUNT.—For purposes of this
3 paragraph, the unused starter home construc-
4 tion credit amount of a State for any calendar
5 year is the excess (if any) of—

6 “(i) the aggregate amount allocated to
7 such State for such year under this sub-
8 section, over

9 “(ii) the aggregate starter home con-
10 struction credit dollar amount allocated for
11 such year.

12 “(C) FORMULA FOR ALLOCATION OF UN-
13 USED STARTER HOME CONSTRUCTION CREDIT
14 AMOUNTS AMONG QUALIFIED STATES.—The
15 amount allocated under this paragraph to a
16 qualified State for any calendar year shall be
17 the amount determined by the Secretary to bear
18 the same ratio to the aggregate unused starter
19 home construction credit amounts of all States
20 for the preceding calendar year as such State’s
21 population for the calendar year bears to the
22 population of all qualified States for the cal-
23 endar year. For purposes of the preceding sen-
24 tence, population shall be determined in accord-
25 ance with section 146(j).

1 “(D) QUALIFIED STATE.—For purposes of
2 this paragraph, the term ‘qualified State’
3 means, with respect to a calendar year, any
4 State—

5 “(i) which allocated its entire State
6 starter home credit ceiling for the pre-
7 ceding calendar year, and

8 “(ii) which requests (not later than
9 May 1 of the calendar year) an allocation
10 under subparagraph (C).

11 “(E) SECRETARIAL WAIVER.—The Sec-
12 retary may issue a waiver if the Secretary de-
13 termines such waiver will serve the purposes of
14 this section to allow such portion of the State
15 starter home credit ceiling of any State for any
16 calendar year as was allocated to such State
17 under paragraph (3) for such calendar year (de-
18 termined without regard to this paragraph)—

19 “(i) to be treated as allocated to such
20 State for the following calendar year under
21 such paragraph, and

22 “(ii) to not be treated as unused
23 starter home construction credit amount of
24 such State for purposes of this paragraph.

1 “(5) CERTIFICATE OF OCCUPANCY RE-
2 QUIRED.—The State starter home construction cred-
3 it ceiling determined under paragraph (3) for any
4 calendar year shall be reduced by the amount equal
5 to 50 percent of the amount of allocations made
6 under this subsection by such State’s housing credit
7 agency during the second preceding calendar year to
8 construct housing with respect to which no certifi-
9 cate of occupancy has been issued.

10 “(6) HOUSING CREDIT AGENCY.—For purposes
11 of this subsection, the term ‘housing credit agency’
12 has the meaning given in section 42(h)(8)(A).

13 “(f) TRIBAL ALLOCATION.—

14 “(1) IN GENERAL.—The aggregate starter
15 home construction credit dollar amount which an In-
16 dian Tribal Government may allocate for any cal-
17 endar year is the portion of the aggregate Indian
18 starter home construction credit ceiling allocated
19 under paragraph (3) for such calendar year to such
20 Indian Tribal Government.

21 “(2) AGGREGATE INDIAN STARTER HOME CON-
22 STRUCTION CREDIT CEILING.—The aggregate Indian
23 starter home construction credit ceiling for any cal-
24 endar year shall be the greatest of—

1 “(A) \$30 multiplied by total number of en-
2 rolled citizens of all Tribes estimated by the
3 Secretary of the Interior with respect to such
4 calendar year,

5 “(B) in the case of a calendar year begin-
6 ning after the first calendar year with respect
7 to which an amount was determined under sub-
8 section (e)(3), the lowest amount determined
9 with respect to any State in the preceding cal-
10 endar year under such subsection, or

11 “(C) \$30,000,000.

12 “(3) ALLOCATION OF AGGREGATE AMONG
13 TRIBES.—

14 “(A) IN GENERAL.—Not later than 1 year
15 after the date of the enactment of the American
16 Homeownership Opportunity Act of 2025, the
17 Secretary of the Treasury, in consultation with
18 the Secretary of the Interior and representa-
19 tives of such Indian Tribal Governments as ad-
20 minister qualified Indian lands and request to
21 participate in such consultation, shall determine
22 an appropriate process to allocate the aggregate
23 Indian starter home construction credit ceiling
24 among eligible Indian Tribal Governments for
25 each calendar year.

1 “(B) REVISION.—The Secretary, in con-
2 sultation with the Secretary of the Interior and
3 representatives of such Indian Tribal Govern-
4 ments as administer qualified Indian lands and
5 request to participate in such consultation, shall
6 evaluate the process established under subpara-
7 graph (A) not less frequently than every 5 years
8 and may make such changes to such process as
9 such Secretary, after such consultation, deter-
10 mines appropriate to further the purposes of
11 this section.

12 “(4) INTERTRIBAL CONSORTIA.—Under regula-
13 tions prescribed by the Secretary, an Indian Tribal
14 Government (or partnership of Indian Tribal Gov-
15 ernments) may authorize an intertribal consortium,
16 an organization, or an Alaska Native regional or vil-
17 lage corporation, as defined in, or established pursu-
18 ant to, the Alaska Native Claims Settlement Act, to
19 plan for, coordinate or otherwise administer services,
20 finances, functions, or activities on behalf of such
21 Government under this subsection, except that the
22 authorized entity shall have the rights and respon-
23 sibilities of the authorizing Indian Tribal Govern-
24 ment (or Indian Tribal Governments) only to the ex-
25 tent provided in the authorizing resolution.

1 “(5) DEFINITIONS.—For purposes of this sub-
2 section—

3 “(A) QUALIFIED INDIAN LANDS.—The
4 term ‘qualified Indian lands’ means—

5 “(i) Indian lands within the meaning
6 of section 29(j)(8) of the Stevenson-Wydler
7 Technology Innovation Act of 1980,

8 “(ii) land held in fee simple by an In-
9 dian Tribal Government,

10 “(iii) land held by incorporated Native
11 groups, regional corporations, and village
12 corporations under the provisions of the
13 Alaska Native Claims Settlement Act, and

14 “(iv) Hawaiian Home Lands (as de-
15 fined in section 801 of the Native Amer-
16 ican Housing Assistance and Self-Deter-
17 mination Act of 1996).

18 “(B) ELIGIBLE INDIAN TRIBAL GOVERN-
19 MENT.—For purposes of this subsection, the
20 term ‘eligible Indian Tribal Government’ means,
21 with respect to a calendar year, an Indian Trib-
22 al Government that—

23 “(i) requests an allocation under this
24 subsection for such calendar year, and

1 “(ii) administers qualified Indian
2 lands.

3 “(C) INDIAN TRIBAL GOVERNMENT.—The
4 term ‘Indian Tribal Government’ means the
5 recognized governing body of any Indian or
6 Alaska Native tribe, band, nation, pueblo, vil-
7 lage, community, component band, or compo-
8 nent reservation, individually identified (includ-
9 ing parenthetically) pursuant to section 104 of
10 the Federally Recognized Indian Tribe List Act
11 of 1994.

12 “(g) INFLATION ADJUSTMENT.—

13 “(1) IN GENERAL.—In the case of any taxable
14 year beginning after 2025, the dollar amounts in
15 subsection (e)(3) and (f)(2) shall each be increased
16 by an amount equal to—

17 “(A) such dollar amount, multiplied by

18 “(B) the cost-of-living adjustment deter-
19 mined under section 1(f)(3) for the calendar
20 year in which the taxable year begins, deter-
21 mined by substituting ‘calendar year 2024’ for
22 ‘calendar year 2016’ in subparagraph (A)(ii)
23 thereof.

1 “(2) ROUNDING.—If any increase under sub-
2 paragraph (A) is not a multiple of \$5, such increase
3 shall be rounded to the nearest multiple of \$5.

4 “(h) BASIS ADJUSTMENT.—For purposes of this sub-
5 title, if a credit is allowed under this section in connection
6 with any expenditure for any property, the increase in the
7 basis of such property which would (but for this sub-
8 section) result from such expenditure shall be reduced by
9 the amount of the credit so determined.

10 “(i) REGULATIONS.—The Secretary shall issue such
11 regulations or other guidance as may be necessary or ap-
12 propriate to carry out the purposes of this section.”.

13 (b) CREDIT TO BE PART OF GENERAL BUSINESS
14 CREDIT.—Section 38(b) is amended by striking “plus” at
15 the end of paragraph (40), by striking the period at the
16 end of paragraph (41) and inserting “, plus”, and by add-
17 ing at the end the following new paragraph:

18 “(42) the starter home construction credit de-
19 termined under section 45BB(a).”.

20 (c) CLERICAL AMENDMENT.—The table of sections
21 for subpart D of part IV of subchapter A of chapter 1
22 is amended by inserting after the item relating to section
23 45AA the following new item:

 “Sec. 45BB. Starter home construction credit.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 the date of the enactment of this section.

