

[117H5078]

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(Original Signature of Member)

118TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to increase the amount that can be withdrawn without penalty from individual retirement plans as first-time homebuyer distributions.

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**IN THE HOUSE OF REPRESENTATIVES**

Ms. STEVENS introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To amend the Internal Revenue Code of 1986 to increase the amount that can be withdrawn without penalty from individual retirement plans as first-time homebuyer distributions.

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 “First Time Home-  
5       owner Savings Plan Act”.

1 **SEC. 2. INCREASE IN LIMITATION ON PENALTY-FREE**  
2 **FIRST-TIME HOMEBUYER DISTRIBUTIONS.**

3 (a) IN GENERAL.—Section 72(t)(8)(B)(i) of the In-  
4 ternal Revenue Code of 1986 is amended by striking  
5 “\$10,000” and inserting “\$25,000”.

6 (b) INFLATION ADJUSTMENT.—Section 72(t)(8) of  
7 such Code is amended by adding at the end the following  
8 new subparagraph:

9 “(G) INFLATION ADJUSTMENT.—In the  
10 case of any taxable year beginning in a calendar  
11 year after 2025, the \$25,000 amount in sub-  
12 paragraph (B)(i) shall be increased by an  
13 amount equal to—

14 “(i) such dollar amount, multiplied by

15 “(ii) the cost-of-living adjustment de-  
16 termined under section 1(f)(3) for the cal-  
17 endar year in which the taxable year be-  
18 gins, determined by substituting ‘calendar  
19 year 2024’ for ‘calendar year 2016’ in sub-  
20 paragraph (A)(ii) thereof.

21 Any increase determined under the preceding  
22 sentence shall be rounded to the nearest mul-  
23 tiple of \$100.”.

24 (c) EFFECTIVE DATE.—The amendments made by  
25 this section shall apply to distributions made December  
26 31, 2024, in taxable years ending after such date.