

Resolution No.   6  

Date: September 14, 1995

City: Honolulu, Hawaii

NAHB Resolution

Title:                                    Installment Sales of Unimproved Lots  
Original Sponsor:                    Federal Government Affairs Committee

WHEREAS, sales by home builders and developers generally are not eligible for installment sales treatment under Internal Revenue Code (IRC) Sec. 453;

WHEREAS, IRC Sec. 453(I)(2)(B)(ii)(II) allows installment sales treatment for home builder and developer sales of unimproved residential lots, if the builder or developer (or any related person) does not make any improvements to the lot;

WHEREAS, the legislative history of IRC Section 453(I)(2)(B)(ii)(II) says that Congress intended that “a parcel of land is not to be considered to have been improved or developed if it merely has been provided with the benefits of common infrastructure items such as roads and sewers;”

WHEREAS, common infrastructure is any facility that serves a public purpose, has a long useful life, is infrequent and expensive, fixed in place, related to other government functions and expenditures and is usually the responsibility of local government; and

WHEREAS, the Internal Revenue Service has taken the position that the construction of common amenities, such as a gateway entrance, golf course or club house on a development is an improvement with respect to each lot and is not a common infrastructure item,

NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders urge Congress to amend the Internal Revenue Code to conform to Congressional intent that the definition of the term “common infrastructure” includes the construction of such facilities as a common gateway or entrance, a golf course and club house or any recreational facility intended for general public use with respect to the development.

Board of Directors Action:  
Joint Executive/Resolutions Committee Action:  
Resolutions Committee Action:  
Federal Governmental Affairs Committee Action:

Approved  
Recommends Approval  
Recommends Approval  
Recommends Approval