

Outdated Tax Policy Is Locking Up America's Housing Market



Modernizing capital gains tax policy would unlock housing inventory, help first-time buyers, support families and seniors, improve affordability, and strengthen local and national economies, creating jobs and revenue. **More homes. More mobility. More opportunity.**

AMERICA'S HOUSING MARKET IS FROZEN

- ✓ **Millions of homeowners** are staying put because selling would trigger major tax consequences.
- ✓ **Current capital gains exclusion levels** have not been updated since 1997.
- ✓ **Fewer homes on the market** means higher prices for young families and first-time buyers.
- ✓ **Housing inventory** remains near historic lows.

AMERICANS AGREE: IT'S TIME TO MODERNIZE CAPITAL GAINS TAX

82% of Americans support adjusting the current capital gains tax to account for inflation

INCLUDES OVER 80% OF DEMOCRATS, INDEPENDENTS, AND REPUBLICANS

CAPITAL GAINS TAX EXCLUSION HAS GONE UNCHANGED SINCE 1997

1997
\$250,000
INDIVIDUAL EXCLUSION

1997
\$500,000
MARRIED COUPLE EXCLUSION

These limits have not been updated for inflation in over 25 years.

MEDIAN HOME VALUES HAVE INCREASED

+225%
INCREASE SINCE 1997

Home values far outpaced inflation, leaving outdated tax rules behind.

Modernizing capital gains tax puts more homes on the market and supports the American dream.

WHO PAYS THE PRICE?

- **Young Buyers:** First-time buyers are older than ever before, now averaging age 40.
- **Families:** Growing families struggle to find homes that fit their needs because inventory remains constrained.
- **Seniors:** Empty nesters are discouraged from downsizing due to outdated tax rules.
- **Local Economies:** Every home sale generates jobs, tax revenue, and economic activity.

BY THE NUMBERS

NEARLY 5 MILLION

U.S. housing shortage

\$134,260

Economic activity generated by every home sale

18%

Real estate is approximately 18% of the U.S. Economy

\$232,300

increase in home equity over the past decade for typical homeowner

SOLUTIONS TO UNLOCK MORE HOMES

More Homes on the Market Act
H.R. 1340 / S. 3332

Doubles the capital gains exclusion on a primary home and indexes it to inflation, restoring its original value, reducing the equity penalty, and encouraging long-term homeowners to sell.

JCT Score: \$44 billion over 10 years



HOME PRICES THEN & NOW

The median existing single-family home price has risen dramatically over the past 28 years.

↑
INCREASE OF
225%
OVER 28 YEARS

MEDIAN PRICE
\$129,000

1997

MEDIAN PRICE
\$419,300

Present Day
(2025-26)

A DIFFERENCE OF \$290,300

Source: National Association of Realtors® – Median Existing Single-Family Home Price 1997 (Annual) vs. Early 2026 (Projected)