

## Internal Revenue Code Section 163(h)(4)(A)(iii) Interest

(h) Disallowance of deduction for personal interest.

(4) Other definitions and special rules. For purposes of this subsection—

(A) Qualified residence.

(i) In general. The term "qualified residence" means—


(I) the principal residence (within the meaning of section 121) of the taxpayer, and

(II) 1 other residence of the taxpayer which is selected by the taxpayer for purposes of this subsection for the taxable year and which is used by the taxpayer as a residence (within the meaning of section 280A(d)(1)).

(ii) Married individuals filing separate returns. If a married couple does not file a joint return for the taxable year—

(I) such couple shall be treated as 1 taxpayer for purposes of clause (i), and

(II) each individual shall be entitled to take into account 1 residence unless both individuals consent in writing to 1 individual taking into account the principal residence and 1 other residence.

A red arrow pointing to the right, highlighting the third clause of the definition of qualified residence.

(iii) Residence not rented. For purposes of clause (i)(II), notwithstanding section 280A(d)(1), if the taxpayer does not rent a dwelling unit at any time during a taxable year, such unit may be treated as a residence for such taxable year.