

1 1986 is amended by inserting after section 25D the fol-
2 lowing new section:

3 **“SEC. 25E. HURRICANE AND TORNADO MITIGATION PROP-**
4 **ERTY.**

5 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
6 dividual, there shall be allowed as a credit against the tax
7 imposed by this chapter for the taxable year an amount
8 equal to 25 percent of the qualified hurricane and tornado
9 mitigation property expenditures made by the taxpayer
10 during such taxable year.

11 “(b) MAXIMUM CREDIT.—The credit allowed under
12 subsection (a) for any taxable year shall not exceed
13 \$5,000.

14 “(c) QUALIFIED HURRICANE AND TORNADO MITIGA-
15 TION EXPENDITURE.—For purposes of this section—

16 “(1) IN GENERAL.—The term ‘qualified hurri-
17 cane and tornado mitigation property expenditure’
18 means an expenditure for property—

19 “(A) to improve the strength of a roof
20 deck attachment,

21 “(B) to create a secondary water barrier to
22 prevent water intrusion,

23 “(C) to improve the durability of a roof
24 covering,

25 “(D) to brace gable-end walls,

1 “(E) to reinforce the connection between a
2 roof and supporting wall,

3 “(F) to protect openings from penetration
4 by windborne debris, or

5 “(G) to protect exterior doors and garages,
6 in a qualified dwelling unit located in a qualified
7 State and owned by the taxpayer.

8 “(2) QUALIFIED DWELLING UNIT.—The term
9 ‘qualified dwelling unit’ means a dwelling unit that
10 is assessed at a value that is less than \$1,000,000
11 by the locality in which such dwelling unit is located
12 and with respect to the taxable year for which the
13 credit described in subsection (a) is allowed.

14 “(3) QUALIFIED STATE.—The term ‘qualified
15 State’ means Alabama, Arkansas, Colorado, Con-
16 necticut, Delaware, Florida, Georgia, Hawaii, Illi-
17 nois, Indiana, Iowa, Kansas, Kentucky, Louisiana,
18 Maine, Maryland, Massachusetts, Minnesota, Mis-
19 sissippi, Missouri, Nebraska, New Hampshire, New
20 Jersey, New York, North Carolina, Ohio, Pennsyl-
21 vania, Rhode Island, South Carolina, South Dakota,
22 Tennessee, Texas, or Virginia.

23 “(d) LIMITATION.—An expenditure shall be taken
24 into account in determining the qualified hurricane and
25 tornado mitigation property expenditures made by the tax-

1 payer during the taxable year only if the onsite prepara-
2 tion, assembly, or original installation of the property with
3 respect to which such expenditure is made has been com-
4 pleted in a manner that is deemed to be adequate by a
5 State-certified inspector.

6 “(e) LABOR COSTS.—For purposes of this section,
7 expenditures for labor costs properly allocable to the onsite
8 preparation, assembly, or original installation of the prop-
9 erty described in subsection (c) shall be taken into account
10 in determining the qualified hurricane and tornado mitiga-
11 tion property expenditures made by the taxpayer during
12 the taxable year.

13 “(f) INSPECTION COSTS.—For purposes of this sec-
14 tion, expenditures for inspection costs properly allocable
15 to the inspection of the preparation, assembly, or installa-
16 tion of the property described in subsection (c) shall be
17 taken into account in determining the qualified hurricane
18 and tornado mitigation property expenditures made by the
19 taxpayer during the taxable year.”.

20 (b) CONFORMING AMENDMENT.—The table of sec-
21 tions for subpart A of part IV of subchapter A of chapter
22 1 of such Code is amended by inserting after the item
23 relating to section 25D the following new item:

“Sec. 25E. Hurricane and tornado mitigation property.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2008.

4 **SEC. 3. BUSINESS RELATED CREDIT FOR HURRICANE AND**
5 **TORNADO MITIGATION.**

6 (a) IN GENERAL.—Subpart D of part IV of sub-
7 chapter A of chapter 1 of the Internal Revenue Code of
8 1986 is amended by inserting after section 45N the fol-
9 lowing new section:

10 **“SEC. 45R. HURRICANE AND TORNADO MITIGATION CRED-**
11 **IT.**

12 “(a) GENERAL RULE.—For purposes of section 38,
13 the hurricane and tornado mitigation credit determined
14 under this section for any taxable year is an amount equal
15 to 25 percent of the qualified hurricane and tornado miti-
16 gation property expenditures made by the taxpayer during
17 the taxable year.

18 “(b) MAXIMUM CREDIT.—The amount of the credit
19 determined under subsection (a) for any taxable year shall
20 not exceed \$5,000.

21 “(c) QUALIFIED HURRICANE AND TORNADO MITIGA-
22 TION EXPENDITURE.—For purposes of this section—

23 “(1) IN GENERAL.—The term ‘qualified hurri-
24 cane and tornado mitigation property expenditure’
25 means an expenditure for property—

1 “(A) to improve the strength of a roof
2 deck attachment,

3 “(B) to create a secondary water barrier to
4 prevent water intrusion,

5 “(C) to improve the durability of a roof
6 covering,

7 “(D) to brace gable-end walls,

8 “(E) to reinforce the connection between a
9 roof and supporting wall,

10 “(F) to protect openings from penetration
11 by windborne debris, or

12 “(G) to protect exterior doors and garages,
13 in a qualified place of business located in a qualified
14 State and owned by the taxpayer.

15 “(2) QUALIFIED PLACE OF BUSINESS.—The
16 term ‘qualified place of business’ means a place of
17 business that is assessed at a value that is less than
18 \$5,000,000 by the locality in which such business is
19 located and with respect to the taxable year for
20 which the credit described in subsection (a) is al-
21 lowed.

22 “(3) QUALIFIED STATE.—The term ‘qualified
23 State’ means Alabama, Arkansas, Colorado, Con-
24 necticut, Delaware, Florida, Georgia, Hawaii, Illi-
25 nois, Indiana, Iowa, Kansas, Kentucky, Louisiana,

1 Maine, Maryland, Massachusetts, Minnesota, Mis-
2 sissippi, Missouri, Nebraska, New Hampshire, New
3 Jersey, New York, North Carolina, Ohio, Pennsyl-
4 vania, Rhode Island, South Carolina, South Dakota,
5 Tennessee, Texas, or Virginia.

6 “(d) LIMITATION.—An expenditure shall be taken
7 into account in determining the qualified hurricane and
8 tornado mitigation property expenditures made by the tax-
9 payer during the taxable year only if the onsite prepara-
10 tion, assembly, or original installation of the property with
11 respect to which such expenditure is made has been com-
12 pleted in a manner that is deemed to be adequate by a
13 State-certified inspector.

14 “(e) LABOR COSTS.—For purposes of this section,
15 expenditures for labor costs properly allocable to the onsite
16 preparation, assembly, or original installation of the prop-
17 erty described in subsection (c) shall be taken into account
18 in determining the qualified hurricane and tornado mitiga-
19 tion property expenditures made by the taxpayer during
20 the taxable year.

21 “(f) INSPECTION COSTS.—For purposes of this sec-
22 tion, expenditures for inspection costs properly allocable
23 to the inspection of the preparation, assembly, or installa-
24 tion of the property described in subsection (c) shall be
25 taken into account in determining the qualified hurricane

1 and tornado mitigation property expenditures made by the
2 taxpayer during the taxable year.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 38(b) of such Code is amended by
5 striking “plus” at the end of paragraph (34), by
6 striking the period at the end of paragraph (35) and
7 inserting “, plus”, and by adding at the end the fol-
8 lowing new paragraph:

9 “(36) the hurricane and tornado mitigation
10 credit determined under section 45R(a).”.

11 (2) The table of sections for subpart D of part
12 IV of subchapter A of chapter 1 of such Code is
13 amended by inserting after the item relating to sec-
14 tion 45N the following new item:

“Sec. 45R. Hurricane and tornado mitigation credit.”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to taxable years beginning after
17 December 31, 2008.

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