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109TH CONGRESS
1ST SESSION

H. R. 1516

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for expenditures incurred by the taxpayer to restore or protect wetlands from coastal erosion.

IN THE HOUSE OF REPRESENTATIVES

APRIL 6, 2005

Mr. JINDAL introduced the following bill; which was referred to the Committee on Ways and Means

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A BILL

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for expenditures incurred by the taxpayer to restore or protect wetlands from coastal erosion.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Coastal Preservation Act of 2005''.

SEC. 2. INCOME TAX CREDIT TO RESTORE OR PROTECT WETLANDS FROM COASTAL EROSION.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to other credits) is amended by inserting after section 30A the following new section:

"SEC. 30B. RESTORATION AND PROTECTION OF WETLANDS FROM COASTAL EROSION.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified coastal erosion abatement expenditures made by the taxpayer to carry out an eligible erosion abatement project on property owned by the taxpayer.

"(b) YEAR CREDIT ALLOWED.—The credit allowable by this section with respect to any eligible erosion abatement project shall be allowed for the taxable year during which the Corps of Engineers certifies that such project was properly completed.

"(c) DEFINITIONS.—For purposes of this section—

"(1) ELIGIBLE EROSION ABATEMENT PROJECT.—The term 'eligible erosion abatement project' means any project approved by the Corps of Engineers to control or abate the erosion of any shoreline in the United States experiencing a historical erosion rate of greater than 2 feet per year

based on data published by the Bureau of Economic Geology of the University of Texas.

"(2) QUALIFIED COASTAL EROSION ABATEMENT EXPENDITURE.—The term 'qualified coastal erosion abatement expenditure' means any amount paid or incurred by the taxpayer which is directly connected with the development and execution of a plan to control or abate erosion in an area which is part of an eligible erosion abatement project.

"(d) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for the taxable year shall not exceed the excess of—

"(1) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

"(2) the sum of the credits allowable under subpart A and sections 27, 29, and 30A for the taxable year.".

(b) CLERICAL AMENDMENT.—The table of sections for such subpart B is amended by adding at the end the following new item:

"Sec. 30B. Restoration and protection of wetlands from coastal erosion.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to projects approved after the date of the enactment of this Act.

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