

109TH CONGRESS
1ST SESSION

H. R. 2102

To amend the Internal Revenue Code of 1986 to provide a credit against the income tax for expenses incurred in restoring and protecting coastal lands.

IN THE HOUSE OF REPRESENTATIVES

MAY 4, 2005

Mr. MELANCON (for himself, Mr. BAKER, Mr. McCREERY, Mr. JEFFERSON, Mr. ALEXANDER, Mr. JINDAL, and Mr. BOUSTANY) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide a credit against the income tax for expenses incurred in restoring and protecting coastal lands.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Coastal Restoration
5 Tax Credit Act of 2005”.

6 **SEC. 2. CREDIT FOR EXPENSES INCURRED IN RESTORING**
7 **AND PROTECTING COASTAL LANDS.**

8 (a) IN GENERAL.—Subpart B of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by adding at the end the following new
2 section:

3 **“SEC. 30B. CREDIT FOR EXPENSES INCURRED IN RESTOR-**
4 **ING AND PROTECTING COASTAL LANDS.**

5 “(a) ALLOWANCE OF CREDIT.—There shall be al-
6 lowed as a credit against the tax imposed by this chapter
7 for the taxable year an amount equal to the qualified ex-
8 penditures of the taxpayer for the taxable year.

9 “(b) LIMITATIONS.—

10 “(1) MAXIMUM CREDIT.—The credit allowed
11 under subsection (a) for a taxable year shall not ex-
12 ceed \$2,000,000.

13 “(2) LIMITATION BASED ON AMOUNT OF
14 TAX.—The credit allowed under subsection (a) for
15 the taxable year shall not exceed the excess of—

16 “(A) the sum of the regular tax liability
17 (as defined in section 26(b)) plus the tax im-
18 posed by section 55, over

19 “(B) the sum of the credits allowable
20 under subpart A and sections 27 and 30A for
21 the taxable year.

22 “(c) QUALIFIED EXPENDITURES.—For purposes of
23 this section—

1 “(1) IN GENERAL.—The term ‘qualified expend-
2 itures’ means amounts paid or incurred by the tax-
3 payer for an approved project.

4 “(2) APPROVED PROJECT.—The term ‘approved
5 project’ means any project approved by the Natural
6 Resources Conservation Service to restore or protect
7 coastal lands located in the United States.

8 “(d) CARRYOVERS ALLOWED.—

9 “(1) IN GENERAL.—If the credit amount allow-
10 able under subsection (a) for a taxable year exceeds
11 the amount of the limitation under subsection (c) for
12 such taxable year (referred to as the ‘unused credit
13 year’ in this paragraph), such excess shall be allowed
14 as a credit carryforward for each of the taxable
15 years following the unused credit year or as a credit
16 carryback for each of the taxable years preceding
17 the unused credit year.

18 “(2) RULES.—For purposes of paragraph (1),
19 rules similar to the rules of section 39 shall apply,
20 except that—

21 “(A) subsection (a)(1) shall be applied—

22 “(i) by substituting ‘3 taxable years’
23 for ‘1 taxable years’ in subparagraph (A)
24 thereof, and

1 “(ii) by substituting ‘5 taxable years’
2 for ‘20 taxable years’ in subparagraph (B)
3 thereof, and

4 “(B) subsection (a)(2) shall be applied—

5 “(i) by substituting ‘8 taxable years’
6 for ‘21 taxable years’ in subparagraph (A)
7 thereof, and

8 “(ii) by substituting ‘7 taxable years’
9 for ‘20 taxable years’ in subparagraph (B).

10 “(e) SPECIAL RULES.—

11 “(1) BASIS REDUCTION.—The basis of any
12 property for which a credit is allowable under sub-
13 section (a) shall be reduced by the amount of such
14 credit (determined without regard to subsection
15 (b)(2)).

16 “(2) NO DOUBLE BENEFIT.—The amount of
17 any deduction or credit allowable under this chapter
18 (other than the credit allowable under subsection
19 (a)), shall be reduced by the amount of credit al-
20 lowed under subsection (a) (determined without re-
21 gard to subsection (b)(2)) for the taxable year.

22 “(3) REDUCTION FOR ASSISTANCE.—The
23 amount taken into account under subsection (a) with
24 respect to any project shall be reduced by the
25 amount of any Federal, State, or local grant or

1 other assistance received by the taxpayer during
2 such taxable year or any prior taxable year which
3 was used to make qualified expenditures and which
4 was not included in the gross income of such tax-
5 payer.”.

6 (b) BASIS ADJUSTMENT.—Section 1016(a) of such
7 Code is amended by striking “and” at the end of para-
8 graph (30), by striking the period at the end of paragraph
9 (31) and inserting “, and”, and by adding at the end the
10 following new paragraph:

11 “(32) to the extent provided in section
12 30B(e)(1).”.

13 (c) CLERICAL AMENDMENT.—The table of sections
14 for subpart B of part IV of subchapter A of chapter 1
15 of such Code is amended by inserting after the item relat-
16 ing to section 30A the following new item:

“Sec. 30B. Credit for expenses incurred in restoring and protecting coastal
lands.”.

17 (d) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to taxable years beginning after
19 December 31, 2004.

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