

109TH CONGRESS
1ST SESSION

H. R. 453

To amend the Internal Revenue Code of 1986 to provide a tax credit for property owners who remove lead-based paint hazards.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 2005

Mr. CLAY (for himself and Ms. SLAUGHTER) 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 tax credit for property owners who remove lead-based paint hazards.

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; FINDINGS; PURPOSE.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Home Lead Safety Tax Credit Act of 2005”.

6 (b) FINDINGS.—Congress finds that:

7 (1) Of the 98,000,000 housing units in the
8 United States, 38,000,000 have lead-based paint.

9 (2) Of the 38,000,000 housing units with lead-
10 based paint, 25,000,000 pose a hazard, as defined

1 by Environmental Protection Agency and Depart-
2 ment of Housing and Urban Development standards,
3 due to conditions such as peeling paint and settled
4 dust on floors and windowsills that contain lead at
5 levels above Federal safety standards.

6 (3) Though the number of children in the
7 United States ages 1 through 5 with blood levels
8 higher than the Centers for Disease Control action
9 level of 10 micrograms per deciliter has declined to
10 300,000, lead poisoning remains a serious, entirely
11 preventable threat to a child's intelligence, behavior,
12 and learning.

13 (4) The Secretary of Health and Human Serv-
14 ices has established a national goal of ending child-
15 hood lead poisoning by 2010.

16 (5) Current Federal lead abatement programs,
17 such as the Lead Hazard Control Grant Program of
18 the Department of Housing and Urban Develop-
19 ment, only have resources sufficient to make ap-
20 proximately 7,000 homes lead-safe each year. In
21 many cases, when State and local public health de-
22 partments identify a lead-poisoned child, resources
23 are insufficient to reduce or eliminate the hazards.

24 (6) Approximately 15 percent of children are
25 lead-poisoned by home renovation projects performed

1 by remodelers who fail to follow basic safeguards to
2 control lead dust.

3 (7) Old windows typically pose significant risks
4 because wood trim is more likely to be painted with
5 lead-based paint, moisture causes paint to deterio-
6 rate, and friction generates lead dust. The replace-
7 ment of old windows that contain lead based paint
8 significantly reduces lead poisoning hazards in addi-
9 tion to producing significant energy savings.

10 (c) PURPOSE.—The purpose of this section is to en-
11 courage the safe removal of lead hazards from homes and
12 thereby decrease the number of children who suffer re-
13 duced intelligence, learning difficulties, behavioral prob-
14 lems, and other health consequences due to lead-poisoning.

15 **SEC. 2. LEAD ABATEMENT TAX CREDIT.**

16 (a) IN GENERAL.—Subpart B of part IV of sub-
17 chapter A of chapter 1 of the Internal Revenue Code of
18 1986 (relating to foreign tax credit, etc.) is amended by
19 adding at the end the following new section:

20 **“SEC. 30B. HOME LEAD ABATEMENT.**

21 “(a) ALLOWANCE OF CREDIT.—There shall be al-
22 lowed as a credit against the tax imposed by this chapter
23 an amount equal to 50 percent of the abatement cost paid
24 or incurred by the taxpayer during the taxable year for
25 each eligible dwelling unit of the taxpayer.

1 “(b) LIMITATION.—The amount of the credit allowed
2 under subsection (a) for any eligible dwelling unit shall
3 not exceed—

4 “(1) \$1,500, over

5 “(2) the aggregate cost taken into account
6 under subsection (a) with respect to such unit for all
7 preceding taxable years.

8 “(c) DEFINITIONS AND SPECIAL RULES.—For pur-
9 poses of this section:

10 “(1) ABATEMENT COST.—

11 “(A) IN GENERAL.—The term ‘abatement
12 cost’ means, with respect to any eligible dwell-
13 ing unit—

14 “(i) the cost for a certified risk asses-
15 sor to conduct an assessment to determine
16 the presence of a lead-based paint hazard,

17 “(ii) the cost for a certified lead
18 abatement supervisor to perform the re-
19 moval of paint and dust, the permanent
20 enclosure or encapsulation of lead-based
21 paint, the replacement of painted surfaces
22 or fixtures, or the removal or permanent
23 covering of soil when lead-based paint haz-
24 ards are present in such paint, dust, or
25 soil,

1 “(iii) the cost for a certified lead
2 abatement supervisor to perform all prepa-
3 ration, cleanup, disposal, and
4 postabatement clearance testing activities
5 associated with the activities described in
6 clause (ii), and

7 “(iv) costs incurred by or on behalf of
8 any occupant of such dwelling unit for any
9 relocation which is necessary to achieve oc-
10 cupant protection (as defined under section
11 1345 of title 24, Code of Federal Regula-
12 tions).

13 “(B) LIMITATION.—The term ‘abatement
14 cost’ does not include any cost to the extent
15 such cost is funded by any grant, contract, or
16 otherwise by another person (or any govern-
17 mental agency).

18 “(2) ELIGIBLE DWELLING UNIT.—

19 “(A) IN GENERAL.—The term ‘eligible
20 dwelling unit’ means any dwelling unit—

21 “(i) placed in service before 1978,

22 “(ii) located in the United States, and

23 “(iii) determined by a certified risk
24 assessor to have a lead-based paint hazard.

1 “(B) DWELLING UNIT.—The term ‘dwell-
2 ing unit’ has the meaning given such term by
3 section 280A(f)(1).

4 “(3) LEAD-BASED PAINT HAZARD.—The term
5 ‘lead-based paint hazard’ has the meaning given
6 such term under part 745 of title 40, Code of Fed-
7 eral Regulations.

8 “(4) CERTIFIED LEAD ABATEMENT SUPER-
9 VISOR.—The term ‘certified lead abatement super-
10 visor’ means an individual certified by the Environ-
11 mental Protection Agency pursuant to section
12 745.226 of title 40, Code of Federal Regulations, or
13 an appropriate State agency pursuant to section
14 745.325 of title 40, Code of Federal Regulations.

15 “(5) CERTIFIED INSPECTOR.—The term ‘cer-
16 tified inspector’ means an inspector certified by the
17 Environmental Protection Agency pursuant to sec-
18 tion 745.226 of title 40, Code of Federal Regula-
19 tions, or an appropriate State agency pursuant to
20 section 745.325 of title 40, Code of Federal Regula-
21 tions.

22 “(6) CERTIFIED RISK ASSESSOR.—The term
23 ‘certified risk assessor’ means a risk assessor cer-
24 tified by the Environmental Protection Agency pur-
25 suant to section 745.226 of title 40, Code of Federal

1 Regulations, or an appropriate State agency pursu-
2 ant to section 745.325 of title 40, Code of Federal
3 Regulations.

4 “(7) DOCUMENTATION REQUIRED FOR CREDIT
5 ALLOWANCE.—No credit shall be allowed under sub-
6 section (a) with respect to any eligible dwelling unit
7 unless—

8 “(A) after lead abatement is complete, a
9 certified inspector or certified risk assessor pro-
10 vides written documentation to the taxpayer
11 that includes—

12 “(i) a certification that the
13 postabatement procedures (as defined by
14 section 745.227 of title 40, Code of Fed-
15 eral Regulations) have been performed and
16 that the unit does not contain lead dust
17 hazards (as defined by section
18 745.227(e)(8)(viii) of title 40, Code of
19 Federal Regulations), and

20 “(ii) documentation showing that the
21 lead abatement meets the requirements of
22 this section, and

23 “(B) the taxpayer files with the appro-
24 priate State agency—

1 “(i) the documentation described in
2 subparagraph (A),

3 “(ii) a receipt from the certified risk
4 assessor documenting the costs of deter-
5 mining the presence of a lead-based paint
6 hazard,

7 “(iii) a receipt from the certified lead
8 abatement supervisor documenting the
9 abatement cost (other than the costs de-
10 scribed in paragraph (1)(A)(i)), and

11 “(iv) a statement indicating the age of
12 the dwelling unit.

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

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

20 “(1) the sum of the regular tax liability (as de-
21 fined in section 26(b)) plus the tax imposed by sec-
22 tion 55, over

23 “(2) the sum of the credits allowable under sub-
24 part A and sections 27, 29, 30, and 30A for the tax-
25 able year.

1 “(e) CARRYFORWARD ALLOWED.—

2 “(1) IN GENERAL.—If the credit amount allow-
3 able under subsection (a) for a taxable year exceeds
4 the amount of the limitation under subsection (d)
5 for such taxable year (referred to as the ‘unused
6 credit year’ in this subsection), such excess shall be
7 allowed as a credit carryforward for each of the 20
8 taxable years following the unused credit year.

9 “(2) RULES.—Rules similar to the rules of sec-
10 tion 39 shall apply with respect to the credit
11 carryforward under paragraph (1).”.

12 (b) CONFORMING AMENDMENTS.—

13 (1) Section 1016(a) of such Code is amended
14 by striking “and” in paragraph (30), by striking the
15 period and inserting “, and” in paragraph (31), and
16 by inserting at the end the following new paragraph:

17 “(32) in the case of an eligible dwelling unit
18 with respect to which a credit for lead abatement
19 was allowed under section 30B, to the extent pro-
20 vided in section 30B(c)(8).”.

21 (2) The table of sections for subpart B of part
22 IV of subchapter A of chapter 1 of such Code is
23 amended by inserting after the item relating to sec-
24 tion 30A the following new item:

“Sec. 30B. Home lead abatement.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to abatement costs incurred after
3 December 31, 2005, in taxable years ending after that
4 date.

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