

111TH CONGRESS
1ST SESSION

H. R. 3622

To amend the Internal Revenue Code of 1986 to allow a credit for the construction of pond establishments for the purposes of non-commercial recreational fishing and conservation of water-based wildlife habitats.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 22, 2009

Mr. BRIGHT 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 allow a credit for the construction of pond establishments for the purposes of non-commercial recreational fishing and conservation of water-based wildlife habitats.

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 “Ponds and Water-
5 Based Conservation Act of 2009”.

6 **SEC. 2. POND CONSTRUCTION CREDIT.**

7 (a) POND CONSTRUCTION CREDIT.—Subpart A of
8 part IV of subchapter A of chapter 1 of the Internal Rev-

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

3 **“SEC. 25E. POND CONSTRUCTION CREDIT.**

4 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
5 dividual, there shall be allowed as a credit against the tax
6 imposed by this chapter for the taxable year an amount
7 equal to 50 percent of qualified pond construction expendi-
8 tures.

9 “(b) LIMITATIONS.—The amount allowed as a credit
10 under subsection (a) for a taxable year shall not exceed
11 \$50,000.

12 “(c) QUALIFIED POND CONSTRUCTION EXPENDI-
13 TURES.—For purposes of this section—

14 “(1) IN GENERAL.—The term ‘qualified pond
15 construction expenditures’ means amounts paid or
16 incurred to construct a body of water larger than
17 one-half acre and smaller than 10 acres that serves
18 to promote stormwater management and conserva-
19 tion or foster expansion of water-based habitat for
20 wildlife or fish.

21 “(2) LABOR COSTS.—For purposes of para-
22 graph (1), expenditures for labor costs properly allo-
23 cable to the onsite construction of such body of
24 water shall be taken into account.

1 “(3) EXCEPTION FOR COMMERCIAL USES.—
2 Such term does not include any amount paid or in-
3 curred with respect to commercial fishing.

4 “(d) RECAPTURE OF CREDIT.—

5 “(1) IN GENERAL.—The Secretary shall provide
6 for the recapture of the credit allowed under this
7 section in any case in which, before the close of the
8 recapture period, the land with respect to which the
9 qualified pond construction expenditures were paid
10 or incurred is disposed of or otherwise ceases to sus-
11 tain water-based wildlife or fish.

12 “(2) EXCEPTIONS.—

13 “(A) DEATH OF TAXPAYER.—Paragraph
14 (1) shall not apply to any taxable year ending
15 after the date of the taxpayer’s death.

16 “(B) INVOLUNTARY CONVERSION.—Para-
17 graph (1) shall not apply in the case of a prop-
18 erty which is compulsorily or involuntarily con-
19 verted (within the meaning of section 1033(a)).

20 “(C) TRANSFERS BETWEEN SPOUSES OR
21 INCIDENT TO DIVORCE.—In the case of a trans-
22 fer of a property to which section 1041(a) ap-
23 plies—

24 “(i) paragraph (1) shall not apply to
25 such transfer, and

1 “(ii) in the case of taxable years end-
2 ing after such transfer, paragraph (1) shall
3 apply to the transferee in the same manner
4 as if such transferee were the transferor
5 (and shall not apply to the transferor).

6 “(3) RECAPTURE PERIOD.—For purposes of
7 paragraph (1), the recapture period is the 10-taxable
8 year period beginning with the taxable year after the
9 taxable year for which a credit is allowed under sub-
10 section (a).

11 “(e) CERTIFICATION.—

12 “(1) YEAR OF CONSTRUCTION.—No amount
13 shall be treated as a qualified pond construction ex-
14 penditure unless the taxpayer certifies that the body
15 of water constructed pursuant to such expenditures
16 meets the requirements of subsection (c)(1).

17 “(2) RECAPTURE.—Recapture shall be required
18 under subsection (d) for any year in the recapture
19 period unless the taxpayer certifies that the taxpayer
20 is in compliance with subsection (d).

21 “(3) CERTIFICATION REQUIREMENTS.—A cer-
22 tification under this subsection shall be in such form
23 and meet such requirements as the Secretary may
24 require.”.

1 (b) CONFORMING AMENDMENT.—The table of sec-
2 tions for subpart A of part IV of subchapter A of chapter
3 1 of such Code is amended by inserting after the item
4 relating to section 25D the following new item:

“Sec. 25E. Pond construction credit.”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 December 31, 2009.

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