

112TH CONGRESS
1ST SESSION

H. R. 2099

To amend the Internal Revenue Code of 1986 to provide a credit against tax for natural disaster mitigation expenditures.

IN THE HOUSE OF REPRESENTATIVES

JUNE 2, 2011

Mr. ROONEY (for himself, Mr. THOMPSON of Mississippi, Mr. WEST, and Mr. BONNER) 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 tax for natural disaster mitigation expenditures.

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 (a) SHORT TITLE.—This Act may be cited as the
5 “Natural Disaster Mitigation Act of 2011”.

6 **SEC. 2. NONREFUNDABLE PERSONAL CREDIT FOR NAT-**
7 **URAL DISASTER MITIGATION PROPERTY.**

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

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

3 **“SEC. 25E. NATURAL DISASTER MITIGATION PROPERTY.**

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 25 percent of the qualified natural disaster miti-
8 gation property expenditures made by the taxpayer during
9 such taxable year in connection with a qualified principal
10 residence of the taxpayer.

11 “(b) MAXIMUM CREDIT.—The credit allowed under
12 subsection (a) with respect to any principal residence of
13 the taxpayer for any taxable year shall not exceed the ex-
14 cess of—

15 “(1) \$5,000 (half such amount in the case of a
16 married individual filing a separate return), over

17 “(2) the aggregate amounts allowed as a credit
18 under this section to the taxpayer (or the taxpayer’s
19 spouse) with respect to such residence for all prior
20 taxable years.

21 “(c) LIMITATION BASED ON AMOUNT OF TAX.—In
22 the case of a taxable year to which section 26(a)(2) does
23 not apply, the credit allowed under subsection (a) for any
24 taxable year shall not exceed the excess of—

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

4 “(2) the sum of the credits allowable under this
5 subpart (other than this section and sections 23, 24,
6 and 25B) and section 27 for the taxable year.

7 “(d) QUALIFIED NATURAL DISASTER MITIGATION
8 PROPERTY EXPENDITURE.—For purposes of this section,
9 the term ‘qualified natural disaster mitigation property ex-
10 penditure’ means an expenditure for—

11 “(1) property to improve the strength of a roof
12 deck attachment,

13 “(2) property to create a secondary water bar-
14 rier to prevent water intrusion,

15 “(3) property to improve the durability of a
16 roof covering,

17 “(4) property to brace gable-end walls,

18 “(5) property to reinforce the connection be-
19 tween a roof and supporting wall,

20 “(6) property to protect openings from penetra-
21 tion by windborne debris,

22 “(7) property to protect exterior doors and ga-
23 rages,

24 “(8) property to improve the natural resiliency
25 of the property, including the restoration, establish-

1 ment, or enhancement of aquatic resources (having
2 the meanings given such terms by part 332 of title
3 33 of the Code of Federal Regulations), as pre-
4 scribed by the Secretary after consultation with the
5 Administrator of the Environmental Protection
6 Agency and the Assistant Secretary of the Army for
7 Civil Works,

8 “(9) seismic retrofitting, including property to
9 increase resistance to seismic activity, ground mo-
10 tion, or soil failure due to earthquakes, or

11 “(10) such other measures to mitigate natural
12 disaster damage to homes, as prescribed by the Sec-
13 retary after consultation with the Administrator of
14 the Federal Emergency Management Agency and, to
15 the extent applicable, in accordance with section
16 12(d) of the National Technology Transfer and Ad-
17 vancement Act of 1995 (15 U.S.C. 272 note; Public
18 Law 104–113).

19 “(e) QUALIFIED PRINCIPAL RESIDENCE.—For pur-
20 poses of this section, the term ‘qualified pricipal resi-
21 dence’ means the principal residence of the taxpayer (with-
22 in the meaning of section 121) if such residence—

23 “(1) is assessed by the locality in which it is lo-
24 cated at a value which does not exceed 300 percent
25 of the national median home price (determined as of

1 the close of the taxable year for which the credit de-
2 termined under this section is allowed), and

3 “(2) is not severe repetitive loss property (as
4 defined in section 1361A of the National Flood In-
5 surance Act (42 U.S.C. 4102a(b))).

6 “(f) RULES RELATED TO INSPECTIONS AND LABOR
7 COSTS.—For purposes of this section—

8 “(1) INSPECTION REQUIREMENT.—An expendi-
9 ture shall be taken into account in determining the
10 qualified natural disaster mitigation property ex-
11 penditures made by the taxpayer during the taxable
12 year only if the installation of the property with re-
13 spect to which such expenditure is made has been
14 completed in a manner that is deemed to be ade-
15 quate by an inspector that is licensed or certified by
16 the State or other governmental authority, or its
17 designee, having jurisdiction over inspectors in the
18 area where the installed property is located.

19 “(2) LABOR AND INSPECTION COSTS.—For pur-
20 poses of this section, expenditures for labor costs
21 properly allocable to the onsite preparation, assem-
22 bly, or original installation of the property described
23 in subsection (d) (including the cost of inspections
24 referred to in paragraph (1)) shall be taken into ac-
25 count in determining the qualified natural disaster

1 mitigation property expenditures made by the tax-
2 payer during the taxable year.

3 “(g) BASIS ADJUSTMENT.—For purposes of this sec-
4 tion, if a credit is allowed under this section for any ex-
5 penditure with respect to any property, the increase in the
6 basis of such property which would (but for this sub-
7 section) result from such expenditure shall be reduced by
8 the amount of the credit so allowed.”.

9 (b) CONFORMING AMENDMENT.—The table of sec-
10 tions for subpart A of part IV of subchapter A of chapter
11 1 of such Code is amended by inserting after the item
12 relating to section 25D the following new item:

“Sec. 25E. Natural disaster mitigation property.”.

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 December 31, 2011.

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