

113TH CONGRESS
1ST SESSION

H. R. 2241

To amend the Internal Revenue Code of 1986 to provide a credit for owning certain disaster resilient property.

IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 2013

Mr. DIAZ-BALART (for himself and Mr. HARRIS) 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 for owning certain disaster resilient property.

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 “Disaster Savings and
5 Resilient Construction Act of 2013”.

6 **SEC. 2. DISASTER RESILIENT PROPERTY TAX CREDIT.**

7 (a) IN GENERAL.—Subpart D of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of
9 1986 is amended by inserting after section 30D the fol-
10 lowing new section:

1 **“SEC. 30E. DISASTER RESILIENT PROPERTY.**

2 “(a) GENERAL RULE.—There shall be allowed as a
3 credit against the tax imposed by this chapter for the tax-
4 able year an amount equal to the applicable amount for
5 each qualified building placed in service during the taxable
6 year.

7 “(b) APPLICABLE AMOUNT.—For purposes of sub-
8 section (a)—

9 “(1) COMMERCIAL PROPERTY.—In the case of a
10 qualified commercial property, the applicable amount
11 is the lesser of—

12 “(A) 1 percent of the cost of the building,

13 or

14 “(B) \$25,000 per building.

15 “(2) RESIDENTIAL PROPERTY.—In the case of
16 a qualified residential property, the applicable
17 amount is the lesser of—

18 “(A) 1 percent of the cost of the property

19 (or construction cost for rehabilitation of the
20 property), or

21 “(B) \$3,000 per property.

22 “(c) QUALIFIED BUILDING.—For purposes of sub-
23 section (a)—

24 “(1) IN GENERAL.—The term ‘qualified build-
25 ing’ means a building—

1 “(A) owned by the taxpayer in a disaster
2 area determined as a result of a federally de-
3 clared major disaster,

4 “(B) the construction of which began after
5 the date of such disaster in that area,

6 “(C) which—

7 “(i) is qualified commercial property
8 placed in service for commercial purposes,
9 or

10 “(ii) is qualified residential property is
11 placed in service for residential purposes,
12 and

13 “(D) for which a certificate of occupancy is
14 issued before the end of the 3-year period be-
15 ginning on the date of such disaster declaration
16 in that area.

17 “(2) QUALIFIED COMMERCIAL PROPERTY.—The
18 term ‘qualified commercial property’ means a build-
19 ing that is—

20 “(A) located in the United States,

21 “(B) defined in the scope of the 2009 or
22 later International Building Code published by
23 the International Code Council, and

24 “(C) designed and constructed to meet re-
25 silient construction requirements.

1 “(3) QUALIFIED RESIDENTIAL PROPERTY.—

2 The term ‘qualified residential property’ means a
3 building that is—

4 “(A) located in the United States,

5 “(B) defined in the scope of the 2009 or
6 later International Residential Code published
7 by the International Code Council, and

8 “(C) designed and constructed to meet re-
9 silient construction requirements.

10 “(d) RESILIENT CONSTRUCTION REQUIREMENTS.—

11 For purposes of this section—

12 “(1) IN GENERAL.—The resilient construction
13 requirements with respect to a property are that the
14 property is designed and constructed to—

15 “(A) resist hazards brought on by a major
16 disaster and continues to provide its primary
17 functions after a major disaster,

18 “(B) reduce the magnitude or duration of
19 a disruptive event, and

20 “(C) have the absorptive capacity, adaptive
21 capacity, recoverability to withstand a poten-
22 tially disruptive event.

23 “(2) TREATED AS MEETING RESILIENCY RE-
24 QUIREMENTS.—For purposes of paragraph (1)—

1 “(A) in the case of a qualified commercial
2 property, the property shall be treated as meet-
3 ing the requirements specified in paragraph (1)
4 if the property is a building which—

5 “(i) was designed to meet the require-
6 ments of the 2009 or later International
7 Building Code published by the Inter-
8 national Code Council and received the In-
9 surance Institute for Business and Home
10 Safety FORTIFIED for Safer Business
11 designation, or

12 “(ii) was designed and built in a juris-
13 diction that requires commercial buildings
14 to meet the requirements of the 2009 or
15 later International Building Code pub-
16 lished by the International Code Council
17 with amendments that are equivalent or
18 more restrictive than the requirements de-
19 scribed in FORTIFIED for Safer Business
20 Standards published by the Insurance In-
21 stitute for Business and Home Safety and
22 received a certificate of occupancy (or
23 other documentation stating that it has
24 met the requirements of the building code)
25 from the jurisdiction, and

1 “(B) in the case of a qualified residential
2 property, the property shall be treated as meet-
3 ing the requirements specified in paragraph (1)
4 if the property is a building which was designed
5 to meet the requirements of the 2009 or later
6 International Residential Code published by the
7 International Code Council, and meets one of
8 the following requirements:

9 “(i) The building received the Insur-
10 ance Institute for Business and Home
11 Safety as FORTIFIED for Safer Living
12 designation.

13 “(ii) The building received the Insur-
14 ance Institute for Business and Home
15 Safety as FORTIFIED for Existing
16 Homes designation, silver level.

17 “(iii) It was designed and built in a
18 jurisdiction that requires residential build-
19 ings to meet the requirements of the 2009
20 or later International Building Code pub-
21 lished by the International Code Council
22 with amendments that are equivalent or
23 more restrictive than the requirements de-
24 scribed in FORTIFIED for Safer Living
25 Builders Guide published by the Insurance

1 Institute for Business and Home Safety
2 and received a certificate of occupancy (or
3 other documentation stating that it has
4 met the requirements of the building code)
5 from the jurisdiction.

6 “(3) ABSORPTIVE CAPACITY.—The term ‘ab-
7 sorptive capacity’ means the ability of the construc-
8 tion to endure a disruption without significant devi-
9 ation from normal operating performance.

10 “(4) ADAPTIVE CAPACITY.—The term ‘adaptive
11 capacity’ means the ability of the construction to
12 adapt to a drastic change in normal operating condi-
13 tions.

14 “(5) RECOVERABILITY.—The term
15 ‘recoverability’ means the ability of the construction
16 to recover quickly, and at low cost, from potentially
17 disruptive events.

18 “(e) OTHER DEFINITIONS.—For purposes of this
19 section—

20 “(1) CONSTRUCTION.—The term ‘construction’
21 includes new construction and reconstruction and re-
22 habilitation that meets resilient construction require-
23 ments.

24 “(2) FEDERALLY DECLARED MAJOR DIS-
25 ASTER.—The term ‘federally declared major dis-

1 aster’ means a disaster subsequently determined by
 2 the President of the United States to be a ‘major
 3 disaster’ that warrants assistance by the Federal
 4 Government under the Robert T. Stafford Disaster
 5 Relief and Emergency Assistance Act.

6 “(3) DISASTER AREA.—The term ‘disaster area’
 7 means the area so determined to warrant such as-
 8 sistance.

9 “(f) APPLICATION WITH OTHER CREDITS.—

10 “(1) BUSINESS CREDIT TREATED AS PART OF
 11 GENERAL BUSINESS CREDIT.—So much of the credit
 12 which would be allowed under subsection (a) for any
 13 taxable year (determined without regard to this sub-
 14 section) that is attributable to property of a char-
 15 acter subject to an allowance for depreciation shall
 16 be treated as a credit listed in section 38(b) for such
 17 taxable year (and not allowed under subsection (a)).

18 “(2) PERSONAL CREDIT.—For purposes of this
 19 title, the credit allowed under subsection (a) for any
 20 taxable year (determined after application of para-
 21 graph (1)) shall be treated as a credit allowable
 22 under subpart A for such taxable year.

23 “(g) BASIS REDUCTION.—For purposes of this sub-
 24 title, the basis of any property for which a credit is allow-

1 able under subsection (a) shall be reduced by the amount
2 of such credit so allowed.

3 “(h) TERMINATION.—This section shall not apply to
4 any property for which a certificate for occupancy is issued
5 after December 31, 2017.”.

6 (b) CREDIT MADE PART OF GENERAL BUSINESS
7 CREDIT.—Section 38(b) of such Code, as amended by this
8 Act, is amended by striking “plus” at the end of para-
9 graph (35), by striking the period at the end of paragraph
10 (36) and inserting “, plus”, and by adding at the end the
11 following new paragraph:

12 “(37) the portion of the disaster resilient prop-
13 erty credit to which section 30E(f)(1) applies.”.

14 (c) BASIS ADJUSTMENT.—Subsection (a) of section
15 1016 is amended by striking “and” at the end of para-
16 graph (30), by striking the period at the end of paragraph
17 (31) and inserting a comma, by striking “and” at the end
18 of paragraph (36), by striking the period at the end of
19 paragraph (37) and inserting “, and”, and by adding at
20 the end the following new paragraph:

21 “(38) to the extent provided in section 30E(g),
22 in the case of amounts with respect to which a credit
23 has been allowed under section 30E.”.

24 (d) CLERICAL AMENDMENT.—The table of sections
25 for subpart B of part IV of subchapter A of chapter 1

1 of such Code is amended by inserting after the item relat-
2 ing to section 30D the following new item:

“Sec. 30E. Disaster resilient property.”.

3 (e) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to property for which a certificate
5 for occupancy is issued after the date of the enactment
6 of this Act.

