

113TH CONGRESS
2D SESSION

H. R. 3924

To delay increases in premium rates for flood insurance coverage under the National Flood Insurance Program, establish a refundable tax credit for flood mitigation expenses, and authorize increased funding for flood damage mitigation programs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 17, 2014

Mr. GARCIA introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Ways and Means and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To delay increases in premium rates for flood insurance coverage under the National Flood Insurance Program, establish a refundable tax credit for flood mitigation expenses, and authorize increased funding for flood damage mitigation programs, and for other purposes.

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 “Helping Owners Miti-
5 gate Effectively Act of 2014” or the “HOME Act of
6 2014”.

1 **SEC. 2. DELAY IN FLOOD INSURANCE RATE CHANGES.**

2 (a) DELAY.—Notwithstanding any other provision of
3 law, any change in risk premium rates for flood insurance
4 under the National Flood Insurance Program resulting
5 from the amendments made by sections 100205 and
6 100207 of the Biggert-Waters Flood Insurance Reform
7 Act of 2012 (Public Law 112–141; 126 Stat. 917) to sec-
8 tions 1307 and 1308 of the National Flood Insurance Act
9 of 1968 (42 U.S.C. 4014 and 4015) shall not take effect
10 until the expiration of the 5-year period that begins upon
11 the date of the enactment of the Biggert-Waters Flood
12 Insurance Reform Act of 2012.

13 (b) EFFECTIVE DATE.—The amendments made by
14 subsection (a) shall take effect as if enacted as part of
15 the Biggert-Waters Flood Insurance Reform Act of 2012
16 (Public Law 112–141; 126 Stat. 916).

17 **SEC. 3. CAP ON ANNUAL COST OF FLOOD INSURANCE.**

18 Section 1308 of the National Flood Insurance Act of
19 1968 (42 U.S.C. 4015) is amended—

20 (1) by redesignating subsection (i) as subsection
21 (j); and

22 (2) by inserting after subsection (h) the fol-
23 lowing new subsection:.

24 “(i) MAXIMUM ANNUAL PREMIUM.—Notwith-
25 standing any other provision of this title, the maximum
26 annual chargeable premium rate for a property shall be

1 the appraised value of the property at the time of the pur-
 2 chase of the property by the current owner of the property
 3 divided by 30.”.

4 **SEC. 4. CREDIT FOR CERTAIN QUALIFIED FLOOD MITIGA-**
 5 **TION EXPENSES.**

6 (a) IN GENERAL.—Subpart B of part IV of sub-
 7 chapter A of chapter 1 of the Internal Revenue Code of
 8 1986 is amended by adding at the end the following new
 9 section:

10 **“SEC. 30E. QUALIFIED FLOOD MITIGATION EXPENSES.**

11 “(a) IN GENERAL.—In the case of a qualified tax-
 12 payer, there shall be allowed as a credit against the tax
 13 imposed by this chapter for the taxable year an amount
 14 equal to the qualified flood mitigation expenses paid or
 15 incurred by the taxpayer for the taxable year.

16 “(b) LIMITATIONS.—The amount allowed as a credit
 17 under subsection (a) for a taxable year shall not exceed
 18 \$7,500.

19 “(c) QUALIFIED TAXPAYER.—

20 “(1) IN GENERAL.—For purposes of this sec-
 21 tion, the term ‘qualified taxpayer’ means a taxpayer
 22 who is the holder of a policy for flood insurance cov-
 23 erage under the national flood insurance program
 24 under the National Flood Insurance Act of 1968 (42
 25 U.S.C. 4011 et seq.).

1 “(2) BUSINESS EMPLOYERS MUST BE SMALL.—

2 “(A) IN GENERAL.—In the case of a tax-
 3 payer which is a trade or business, for purposes
 4 of this section the term ‘qualified taxpayer’
 5 shall not include any taxpayer which employed
 6 an average of more than 50 employees on busi-
 7 ness days during such taxable year.

8 “(B) CONTROLLED GROUPS.—For pur-
 9 poses of subparagraph (A), all persons treated
 10 as a single employer under subsection (a) or (b)
 11 of section 52 or subsection (m) or (o) of section
 12 414 shall be treated as a single employer.

13 “(d) QUALIFIED FLOOD MITIGATION EXPENSES.—
 14 The term ‘qualified flood mitigation expenses’ shall have
 15 the meaning given such term by the Administrator of the
 16 Federal Emergency Management Agency.

17 “(e) PARTNERSHIP, S CORPORATIONS, AND OTHER
 18 PASS-THRU ENTITIES.—In the case of a partnership,
 19 trust, S corporation, or other pass-thru entity, the credit
 20 and limitations contained in this section shall be deter-
 21 mined at the entity level.

22 “(f) APPLICATION WITH OTHER CREDITS.—

23 “(1) BUSINESS CREDIT TREATED AS PART OF
 24 GENERAL BUSINESS CREDIT.—So much of the credit
 25 which would be allowed under subsection (a) for any

1 taxable year (determined without regard to this sub-
2 section) that is determined with respect to property
3 of a character subject to an allowance for deprecia-
4 tion shall be treated as a credit listed in section
5 38(b) for such taxable year (and not allowed under
6 subsection (a)).

7 “(2) PERSONAL CREDIT.—For purposes of this
8 title, the credit allowed under subsection (a) for any
9 taxable year (determined after application of para-
10 graph (1)) shall be treated as a credit allowable
11 under subpart C for such taxable year.

12 “(g) TERMINATION.—Subsection (a) shall not apply
13 to any amount paid or incurred after December 31,
14 2022.”.

15 (b) CONFORMING AMENDMENTS.—

16 (1) Section 38(b) of such Code is amended by
17 striking “plus” at the end of paragraph (35), by
18 striking the period at the end of section (36) and in-
19 serting “, plus”, and by inserting after paragraph
20 (36) the following new paragraph:

21 “(37) the portion of the credit for qualified
22 flood mitigation expenses to which section 30E(f)(1)
23 applies.”.

1 (2) Section 1324(b)(2) of title 31, United
 2 States Code, is amended by inserting “30E(f)(2),”
 3 after “25A,”.

4 (3) The table of sections for subpart B of part
 5 IV of subchapter A of chapter 1 of the Internal Rev-
 6 enue Code of 1986 is amended by adding at the end
 7 the following new item:

“Sec. 30E. Qualified flood mitigation expenses.”.

8 (c) EFFECTIVE DATE.—The amendments made by
 9 this section shall apply to amounts paid or incurred after
 10 December 31, 2012.

11 **SEC. 5. AFFORDABILITY STUDY.**

12 Section 100236 of the Biggert-Waters Flood Insur-
 13 ance Reform Act of 2012 (Public Law 112–141; 126 Stat.
 14 957) is amended—

15 (1) in subsection (c), by striking “Not” and in-
 16 serting the following: “Subject to subsection (e),
 17 not”;

18 (2) in subsection (d)—

19 (A) by striking “(d) FUNDING.—Notwith-
 20 standing” and inserting the following:

21 “(d) FUNDING.—

22 “(1) NATIONAL FLOOD INSURANCE FUND.—
 23 Notwithstanding”; and

24 (B) by adding at the end the following new
 25 paragraph:

1 “(2) OTHER FUNDING SOURCES.—To carry out
2 this section, in addition to the amount made avail-
3 able under paragraph (1), the Administrator may
4 use any other amounts that are available to the Ad-
5 ministrator.”; and

6 (3) by adding at the end the following new sub-
7 section

8 “(e) ALTERNATIVE.—If the Administrator deter-
9 mines that the report required under subsection (c) cannot
10 be submitted by the date specified under subsection (c)—

11 “(1) the Administrator shall notify, not later
12 than 60 days after the date of enactment of this
13 subsection, the Committee on Banking, Housing,
14 and Urban Affairs of the Senate and the Committee
15 on Financial Services of the House of Representa-
16 tives of an alternative method of gathering the infor-
17 mation required under this section;

18 “(2) the Administrator shall submit, not later
19 than 180 days after the Administrator submits the
20 notification required under paragraph (1), to the
21 Committee on Banking, Housing, and Urban Affairs
22 of the Senate and the Committee on Financial Serv-
23 ices of the House of Representatives the information
24 gathered using the alternative method described in
25 paragraph (1); and

1 “(3) upon the submission of information re-
 2 quired under paragraph (2), the requirement under
 3 subsection (c) shall be deemed satisfied.”.

4 **SEC. 6. INCREASED FUNDING FOR MITIGATION PROGRAMS.**

5 (a) PREDISASTER HAZARD MITIGATION.—Section
 6 203(m) of the Robert T. Stafford Disaster Relief and
 7 Emergency Assistance Act (42 U.S.C. 5133(m)) is amend-
 8 ed—

9 (1) by striking “and” at the end of paragraph
 10 (2);

11 (2) by striking the period at the end of para-
 12 graph (3) and inserting “; and”; and

13 (3) by adding at the end the following:

14 “(4) \$300,000,000 for each of fiscal years 2014
 15 through 2018.”.

16 (b) FLOOD HAZARD MITIGATION ASSISTANCE.—

17 There is authorized to be appropriated for financial assist-
 18 ance under section 1366 of the National Flood Insurance
 19 Act of 1968 (42 U.S.C. 4104c) \$210,000,000 for each of
 20 fiscal years 2014 through 2018. Any amounts appro-
 21 priated pursuant to this subsection shall be in addition
 22 to amounts made available from the National Flood Miti-
 23 gation Fund under section 1367 of such Act (42 U.S.C.
 24 4104d) for such assistance during such fiscal years.

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