113TH CONGRESS
1ST SESSION

H. R. 549

To amend the Internal Revenue Code of 1986 to provide for the creation of policyholder disaster protection funds, Catastrophe Savings Accounts, and tax credits for natural disaster mitigation expenditures.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 6, 2013

Mr. GRIMM (for himself, Mr. PASCRELL, Mr. ROONEY, and Mr. DEUTCH) 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 for the creation of policyholder disaster protection funds, Catastrophe Savings Accounts, and tax credits for natural disaster mitigation expenditures.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Homeowner Catastrophe Protection Act of 2013''.

TITLE I—POLICYHOLDER DISASTER PROTECTION FUNDS

SEC. 101. FINDINGS.

The Congress makes the following findings:

(1) Rising costs resulting from natural disasters are placing an increasing strain on the ability of property and casualty insurance companies to assure payment of homeowners' claims and other insurance claims arising from major natural disasters now and in the future.

(2) Present tax laws do not provide adequate incentives to assure that natural disaster insurance is provided or, where such insurance is provided, that funds are available for payment of insurance claims in the event of future catastrophic losses from major natural disasters, as present law requires an insurer wishing to accumulate surplus assets for this purpose to do so entirely from its after-tax retained earnings.

(3) Revising the tax laws applicable to the property and casualty insurance industry to permit carefully controlled accumulation of pretax dollars in separate reserve funds devoted solely to the payment of claims arising from future major natural disasters will provide incentives for property and casualty in-

surers to make natural disaster insurance available, will give greater protection to the Nation's homeowners, small businesses, and other insurance consumers, and will help assure the future financial health of the Nation's insurance system as a whole.

(4) Implementing these changes will reduce the possibility that a significant portion of the private insurance system would fail in the wake of a major natural disaster and that governmental entities would be required to step in to provide relief at taxpayer expense.

SEC. 3. CREATION OF POLICYHOLDER DISASTER PROTECTION FUNDS; CONTRIBUTIONS TO AND DISTRIBUTIONS FROM FUNDS; OTHER RULES.

(a) CONTRIBUTIONS TO POLICYHOLDER DISASTER PROTECTION FUNDS.—Subsection (c) of section 832 of the Internal Revenue Code of 1986 (relating to the taxable income of insurance companies other than life insurance companies) is amended by striking "and" at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting "; and", and by adding at the end the following new paragraph:

"(14) the qualified contributions to a policyholder disaster protection fund during the taxable year.".

(b) DISTRIBUTIONS FROM POLICYHOLDER DISASTER PROTECTION FUNDS.—Paragraph (1) of section 832(b) of such Code is amended by striking ‘‘and’’ at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting ‘‘, and’’, and by adding at the end the following new subparagraph:

‘‘(F) the amount of any distributions from a policyholder disaster protection fund during the taxable year, except that a distribution made to return to the qualified insurance company any contribution which is not a qualified contribution (as defined in subsection (h)) for a taxable year shall not be included in gross income if such distribution is made prior to the filing of the tax return for such taxable year.’’.

(c) DEFINITIONS AND OTHER RULES RELATING TO POLICYHOLDER DISASTER PROTECTION FUNDS.—Section 832 of such Code (relating to insurance company taxable income) is amended by adding at the end the following new subsection:

‘‘(h) DEFINITIONS AND OTHER RULES RELATING TO POLICYHOLDER DISASTER PROTECTION FUNDS.—For purposes of this section—

‘‘(1) POLICYHOLDER DISASTER PROTECTION FUND.—The term ‘policyholder disaster protection fund' (hereafter in this subsection referred to as the 'fund') means any custodial account, trust, or any other arrangement or account—

"(A) which is established to hold assets that are set aside solely for the payment of qualified losses, and

"(B) under the terms of which—

"(i) the assets in the fund are required to be invested in a manner consistent with the investment requirements applicable to the qualified insurance company under the laws of its jurisdiction of domicile,

"(ii) the net income for the taxable year derived from the assets in the fund is required to be distributed no less frequently than annually,

"(iii) an excess balance drawdown amount is required to be distributed to the qualified insurance company no later than the close of the taxable year following the taxable year for which such amount is determined,

"(iv) a catastrophe drawdown amount may be distributed to the qualified insurance company if distributed prior to the close of the taxable year following the year for which such amount is determined,

"(v) a State required drawdown amount may be distributed, and

"(vi) no distributions from the fund are required or permitted other than the distributions described in clauses (ii) through (v) and the return to the qualified insurance company of contributions that are not qualified contributions.

"(2) QUALIFIED INSURANCE COMPANY.—The term 'qualified insurance company' means any insurance company subject to tax under section 831(a).

"(3) QUALIFIED CONTRIBUTION.—The term 'qualified contribution' means a contribution to a fund for a taxable year to the extent that the amount of such contribution, when added to the previous contributions to the fund for such taxable year, does not exceed the excess of—

"(A) the fund cap for the taxable year, over

"(B) the fund balance determined as of the close of the preceding taxable year.

"(4) EXCESS BALANCE DRAWDOWN AMOUNTS.—The term 'excess balance drawdown amount' means the excess (if any) of—

"(A) the fund balance as of the close of the taxable year, over

"(B) the fund cap for the following taxable year.

"(5) CATASTROPHE DRAWDOWN AMOUNT.—

"(A) IN GENERAL.—The term 'catastrophe drawdown amount' means an amount that does not exceed the lesser of the amount determined under subparagraph (B) or (C).

"(B) NET LOSSES FROM QUALIFYING EVENTS.—The amount determined under this subparagraph shall be equal to the qualified losses for the taxable year determined without regard to clause (ii) of paragraph (8)(A).

"(C) GROSS LOSSES IN EXCESS OF THRESHOLD.—The amount determined under this subparagraph shall be equal to the excess (if any) of—

"(i) the qualified losses for the taxable year, over

"(ii) the lesser of—

“(I) the fund cap for the taxable year (determined without regard to paragraph (9)(E)), or

“(II) 30 percent of the qualified insurance company’s surplus as regards policyholders as shown on the company’s annual statement for the calendar year preceding the taxable year.

“(D) SPECIAL DRAWDOWN AMOUNT FOLLOWING A RECENT CATASTROPHE LOSS YEAR.—If for any taxable year included in the reference period the qualified losses exceed the amount determined under subparagraph (C)(ii), the ‘catastrophe drawdown amount’ shall be an amount that does not exceed the lesser of the amount determined under subparagraph (B) or the amount determined under this subparagraph. The amount determined under this subparagraph shall be an amount equal to the excess (if any) of—

“(i) the qualified losses for the taxable year, over

“(ii) the lesser of—

"(I) ⅓ of the fund cap for the taxable year (determined without regard to paragraph (9)(E)), or

"(II) 10 percent of the qualified insurance company's surplus as regards policyholders as shown on the company's annual statement for the calendar year preceding the taxable year.

"(E) REFERENCE PERIOD.—For purposes of subparagraph (D), the reference period shall be determined under the following table:

"For a taxable year beginning in—	The reference period shall be—
2015 and later	The 3 preceding taxable years.
2014	The 2 preceding taxable years.
2013	The preceding taxable year.
2012 or before	No reference period applies.

"(6) STATE REQUIRED DRAWDOWN AMOUNT.—The term 'State required drawdown amount' means any amount that the department of insurance for the qualified insurance company's jurisdiction of domicile requires to be distributed from the fund, to the extent such amount is not otherwise described in paragraph (4) or (5).

"(7) FUND BALANCE.—The term 'fund balance' means—

"(A) the sum of all qualified contributions to the fund,

"(B) less any net investment loss of the fund for any taxable year or years, and

"(C) less the sum of all distributions under clauses (iii) through (v) of paragraph (1)(B).

"(8) QUALIFIED LOSSES.—

"(A) IN GENERAL.—The term 'qualified losses' means, with respect to a taxable year—

"(i) the amount of losses and loss adjustment expenses incurred in the qualified lines of business specified in paragraph (9), net of reinsurance, as reported in the qualified insurance company's annual statement for the taxable year, that are attributable to one or more qualifying events (regardless of when such qualifying events occurred),

"(ii) the amount by which such losses and loss adjustment expenses attributable to such qualifying events have been reduced for reinsurance received and recoverable, plus

"(iii) any nonrecoverable assessments, surcharges, or other liabilities that are borne by the qualified insurance company and are attributable to such qualifying events.

"(B) QUALIFYING EVENT.—For purposes of subparagraph (A), the term 'qualifying event' means any event that satisfies clauses (i) and (ii).

"(i) EVENT.—An event satisfies this clause if the event is 1 or more of the following:

"(I) Windstorm (hurricane, cyclone, or tornado).

"(II) Earthquake (including any fire following).

"(III) Winter catastrophe (snow, ice, or freezing).

"(IV) Fire.

"(V) Tsunami.

"(VI) Flood.

"(VII) Volcanic eruption.

"(VIII) Hail.

"(ii) CATASTROPHE DESIGNATION.—An event satisfies this clause if the event—

"(I) is designated a catastrophe by Property Claim Services or its successor organization,

"(II) is declared by the President to be an emergency or disaster, or

"(III) is declared to be an emergency or disaster in a similar declaration by the chief executive official of a State, possession, or territory of the United States, or the District of Columbia.

"(9) FUND CAP.—

"(A) IN GENERAL.—The term 'fund cap' for a taxable year is the sum of the separate lines of business caps for each of the qualified lines of business specified in the table contained in subparagraph (C) (as modified under subparagraphs (D) and (E)).

"(B) SEPARATE LINES OF BUSINESS CAP.—For purposes of subparagraph (A), the separate lines of business cap, with respect to a qualified line of business specified in the table contained in subparagraph (C), is the product of—

"(i) net written premiums reported in the annual statement for the calendar year preceding the taxable year in such line of business, multiplied by

"(ii) the fund cap multiplier applicable to such qualified line of business.

"(C) QUALIFIED LINES OF BUSINESS AND THEIR RESPECTIVE FUND CAP MULTIPLIERS.—For purposes of this paragraph, the qualified lines of business and fund cap multipliers specified in this subparagraph are those specified in the following table:

"Line of Business on Annual Statement Blank:	Fund Cap Multiplier:
Fire	0.25
Allied	1.25
Farmowners Multiple Peril	0.25
Homeowners Multiple Peril	0.75
Commercial Multi Peril (non-liability portion)	0.50
Earthquake	13.00
Inland Marine	0.25.

"(D) SUBSEQUENT MODIFICATIONS OF THE ANNUAL STATEMENT BLANK.—If, with respect to any taxable year beginning after the effective date of this subsection, the annual statement blank required to be filed is amended to replace, combine, or otherwise modify any of the qualified lines of business specified in subparagraph (C), then for such taxable year subparagraph (C) shall be applied in a manner such that the fund cap shall be the same amount as if such reporting modification had not been made.

"(E) 20-YEAR PHASE-IN.—Notwithstanding subparagraph (C), the fund cap for a taxable year shall be the amount determined under subparagraph (C), as adjusted pursuant to subparagraph (D) (if applicable), multiplied by the phase-in percentage indicated in the following table:

"Taxable year beginning in:	Phase-in percentage to be applied to fund cap computed under subparagraphs (A) and (B):
2012	5 percent
2013	10 percent
2014	15 percent
2015	20 percent
2016	25 percent
2017	30 percent
2018	35 percent
2019	40 percent
2020	45 percent
2021	50 percent
2022	55 percent
2023	60 percent
2024	65 percent
2025	70 percent
2026	75 percent
2027	80 percent
2028	85 percent
2029	90 percent
2030	95 percent
2031 and later	100 percent.

"(10) TREATMENT OF INVESTMENT INCOME AND GAIN OR LOSS.—

"(A) CONTRIBUTIONS IN KIND.—A transfer of property other than money to a fund shall be treated as a sale or exchange of such property for an amount equal to its fair market value as of the date of transfer, and appropriate adjustment shall be made to the basis of such property. Section 267 shall apply to any loss realized upon such a transfer.

"(B) DISTRIBUTIONS IN KIND.—A transfer of property other than money by a fund to the qualified insurance company shall not be treated as a sale or exchange or other disposition of such property. The basis of such property immediately after such transfer shall be the greater of the basis of such property immediately before such transfer or the fair market value of such property on the date of such transfer.

"(C) INCOME WITH RESPECT TO FUND ASSETS.—Items of income of the type described in paragraphs (1)(B), (1)(C), and (2) of subsection (b) that are derived from the assets held in a fund, as well as losses from the sale or other disposition of such assets, shall be considered items of income, gain, or loss of the qualified insurance company. Notwithstanding paragraph (1)(F) of subsection (b), distributions of net income to the qualified insurance company pursuant to paragraph (1)(B)(ii) of this subsection shall not cause such income to be taken into account a second time.

"(11) NET INCOME; NET INVESTMENT LOSS.—For purposes of paragraph (1)(B)(ii), the net income derived from the assets in the fund for the taxable year shall be the items of income and gain for the taxable year, less the items of loss for the taxable year, derived from such assets, as described in paragraph (10)(C). For purposes of paragraph (7), there is a net investment loss for the taxable year to the extent that the items of loss described in the preceding sentence exceed the items of income and gain described in the preceding sentence.

"(12) ANNUAL STATEMENT.—For purposes of this subsection, the term 'annual statement' shall have the meaning set forth in section 846(f)(3).

"(13) EXCLUSION OF PREMIUMS AND LOSSES ON CERTAIN PUERTO RICAN RISKS.—Notwithstanding any other provision of this subsection, premiums and losses with respect to risks covered by a catastrophe reserve established under the laws or regulations of the Commonwealth of Puerto Rico shall not be taken into account under this subsection in determining the amount of the fund cap or the amount of qualified losses.

"(14) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, including regulations—

"(A) which govern the application of this subsection to a qualified insurance company having a taxable year other than the calendar year or a taxable year less than 12 months,

"(B) which govern a fund maintained by a qualified insurance company that ceases to be subject to this part, and

"(C) which govern the application of paragraph (9)(D).".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2013.

TITLE II—CATASTROPHE SAVINGS ACCOUNTS

SEC. 201. CATASTROPHE SAVINGS ACCOUNTS.

(a) IN GENERAL.—Subchapter F of chapter 1 of the Internal Revenue Code of 1986 (relating to exempt organizations) is amended by adding at the end the following new part:

"PART IX—CATASTROPHE SAVINGS ACCOUNTS

"SEC. 530A. CATASTROPHE SAVINGS ACCOUNTS.

"(a) GENERAL RULE.—A Catastrophe Savings Account shall be exempt from taxation under this subtitle. Notwithstanding the preceding sentence, such account shall be subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable organizations).

"(b) CATASTROPHE SAVINGS ACCOUNT.—For purposes of this section, the term 'Catastrophe Savings Account' means a trust created or organized in the United States for the exclusive benefit of an individual or his beneficiaries and which is designated (in such manner as the Secretary shall prescribe) at the time of the establishment of the trust as a Catastrophe Savings Account, but only if the written governing instrument creating the trust meets the following requirements:

"(1) Except in the case of a qualified rollover contribution—

"(A) no contribution will be accepted unless it is in cash, and

"(B) contributions will not be accepted in excess of the account balance limit specified in subsection (c).

"(2) The trustee is a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which that person will administer the trust will be consistent with the requirements of this section.

"(3) The interest of an individual in the balance of his account is nonforfeitable.

"(4) The assets of the trust shall not be commingled with other property except in a common trust fund or common investment fund.

"(c) ACCOUNT BALANCE LIMIT.—The aggregate account balance for all Catastrophe Savings Accounts maintained for the benefit of an individual (including qualified rollover contributions) shall not exceed—

"(1) in the case of an individual whose qualified deductible is not more than $1,000, $2,000, and

"(2) in the case of an individual whose qualified deductible is more than $1,000, the amount equal to the lesser of—

"(A) $15,000, or

"(B) twice the amount of the individual's qualified deductible.

"(d) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED CATASTROPHE EXPENSES.—The term 'qualified catastrophe expenses' means expenses paid or incurred by reason of a major disaster that has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

"(2) QUALIFIED DEDUCTIBLE.—With respect to an individual, the term 'qualified deductible' means the annual deductible for the individual's homeowners' insurance policy.

"(3) QUALIFIED ROLLOVER CONTRIBUTION.—The term 'qualified rollover contribution' means a contribution to a Catastrophe Savings Account—

"(A) from another such account of the same beneficiary, but only if such amount is contributed not later than the 60th day after the distribution from such other account, and

"(B) from a Catastrophe Savings Account of a spouse of the beneficiary of the account to which the contribution is made, but only if such amount is contributed not later than the 60th day after the distribution from such other account.

"(e) TAX TREATMENT OF DISTRIBUTIONS.—

"(1) IN GENERAL.—Any distribution from a Catastrophe Savings Account shall be includible in the gross income of the distributee in the manner as provided in section 72.

"(2) DISTRIBUTIONS FOR QUALIFIED CATASTROPHE EXPENSES.—

"(A) IN GENERAL.—No amount shall be includible in gross income under paragraph (1) if the qualified catastrophe expenses of the distributee during the taxable year are not less than the aggregate distributions during the taxable year.

"(B) DISTRIBUTIONS IN EXCESS OF EXPENSES.—If such aggregate distributions exceed such expenses during the taxable year, the amount otherwise includible in gross income under paragraph (1) shall be reduced by the amount which bears the same ratio to the amount which would be includible in gross income under paragraph (1) (without regard to this subparagraph) as the qualified catastrophe expenses bear to such aggregate distributions.

"(3) ADDITIONAL TAX FOR DISTRIBUTIONS NOT USED FOR QUALIFIED CATASTROPHE EXPENSES.—The tax imposed by this chapter for any taxable year on any taxpayer who receives a payment or distribution from a Catastrophe Savings Account which is includible in gross income shall be increased by 10 percent of the amount which is so includible.

"(4) RETIREMENT DISTRIBUTIONS.—No amount shall be includible in gross income under paragraph (1) (or subject to an additional tax under paragraph (3)) if the payment or distribution is made on or after the date on which the distributee attains age 62.

"(f) TAX TREATMENT OF ACCOUNTS.—Rules similar to the rules of paragraphs (2) and (4) of section 408(e) shall apply to any Catastrophe Savings Account.".

(b) TAX ON EXCESS CONTRIBUTIONS.—

(1) IN GENERAL.—Subsection (a) of section 4973 of the Internal Revenue Code of 1986 (relating to tax on excess contributions to certain tax-favored accounts and annuities) is amended by striking "or" at the end of paragraph (4), by inserting "or" at the end of paragraph (5), and by inserting after paragraph (5) the following new paragraph:

"(6) a Catastrophe Savings Account (as defined in section 530A),".

(2) EXCESS CONTRIBUTION.—Section 4973 of such Code is amended by adding at the end the following new subsection:

"(h) EXCESS CONTRIBUTIONS TO CATASTROPHE SAVINGS ACCOUNTS.—For purposes of this section, in the case of Catastrophe Savings Accounts (within the meaning of section 530A), the term 'excess contributions' means the amount by which the aggregate account balance for all Catastrophe Savings Accounts maintained for the benefit of an individual exceeds the account balance limit defined in section 530A(c)(1).''.

(c) CONFORMING AMENDMENT.—The table of parts for subchapter F of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''PART IX. CATASTROPHE SAVINGS ACCOUNTS''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2013.

TITLE III—TAX CREDIT FOR NATURAL DISASTER MITIGATION PROPERTY

SEC. 301. NONREFUNDABLE PERSONAL CREDIT FOR NATURAL DISASTER MITIGATION PROPERTY.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 25D the following new section:

''SEC. 25E. NATURAL DISASTER MITIGATION PROPERTY.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 25 percent of the qualified natural disaster mitigation property expenditures made by the taxpayer during such taxable year in connection with a qualified principal residence of the taxpayer.

"(b) MAXIMUM CREDIT.—The credit allowed under subsection (a) with respect to any principal residence of the taxpayer for any taxable year shall not exceed the excess of—

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

"(2) the aggregate amounts allowed as a credit under this section to the taxpayer (or the taxpayer's spouse) with respect to such residence for all prior taxable years.

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

"(1) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

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

"(d) QUALIFIED NATURAL DISASTER MITIGATION PROPERTY EXPENDITURE.—For purposes of this section, the term 'qualified natural disaster mitigation property expenditure' means an expenditure for—

"(1) property to improve the strength of a roof deck attachment,

"(2) property to create a secondary water barrier to prevent water intrusion,

"(3) property to improve the durability of a roof covering,

"(4) property to brace gable-end walls,

"(5) property to reinforce the connection between a roof and supporting wall,

"(6) property to protect openings from penetration by windborne debris,

"(7) property to protect exterior doors and garages,

"(8) property to improve the natural resiliency of the property, including the restoration, establishment, or enhancement of aquatic resources (having the meanings given such terms by part 332 of title 33 of the Code of Federal Regulations), as prescribed by the Secretary after consultation with the Administrator of the Environmental Protection

Agency and the Assistant Secretary of the Army for Civil Works,

"(9) seismic retrofitting, including property to increase resistance to seismic activity, ground motion, or soil failure due to earthquakes, or

"(10) such other measures to mitigate natural disaster damage to homes, as prescribed by the Secretary after consultation with the Administrator of the Federal Emergency Management Agency and, to the extent applicable, in accordance with section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note; Public Law 104–113).

"(e) QUALIFIED PRINCIPAL RESIDENCE.—For purposes of this section, the term 'qualified principal residence' means the principal residence of the taxpayer (within the meaning of section 121) if such residence—

"(1) is assessed by the locality in which it is located at a value which does not exceed 300 percent of the national median home price (determined as of the close of the taxable year for which the credit determined under this section is allowed), and

"(2) is not severe repetitive loss property (as defined in section 1361A of the National Flood Insurance Act (42 U.S.C. 4102a(b))).

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

“(1) INSPECTION REQUIREMENT.—An expenditure shall be taken into account in determining the qualified natural disaster mitigation property expenditures made by the taxpayer during the taxable year only if the installation of the property with respect to which such expenditure is made has been completed in a manner that is deemed to be adequate by an inspector that is licensed or certified by the State or other governmental authority, or its designee, having jurisdiction over inspectors in the area where the installed property is located.

“(2) LABOR AND INSPECTION COSTS.—For purposes of this section, expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of the property described in subsection (d) (including the cost of inspections referred to in paragraph (1)) shall be taken into account in determining the qualified natural disaster mitigation property expenditures made by the taxpayer during the taxable year.

“(g) BASIS ADJUSTMENT.—For purposes of this section, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.''.

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

``Sec. 25E. Natural disaster mitigation property.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2013.

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