

115TH CONGRESS
2D SESSION

H. R. 5543

To amend the Internal Revenue Code of 1986 to allow for a credit against tax for certain flood insurance expenses.

IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 2018

Ms. VELÁZQUEZ 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 for a credit against tax for certain flood insurance expenses.

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 “Flood Insurance Tax
5 Credit Act of 2018”.

6 **SEC. 2. CREDIT FOR FLOOD INSURANCE EXPENSES.**

7 (a) IN GENERAL.—Subpart A 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 25D the fol-
10 lowing new section:

1 **“SEC. 25E. FLOOD INSURANCE EXPENSES.**

2 “(a) ALLOWANCE OF CREDIT.—There shall be al-
3 lowed as a credit against the tax imposed by this subtitle
4 for a taxpayer for a taxable year an amount equal to the
5 sum of—

6 “(1) the lesser of—

7 “(A) the Federal flood insurance expenses
8 of the taxpayer for the taxable year, and

9 “(B) \$1,500, plus

10 “(2) the lesser of—

11 “(A) 50 percent of the private flood insur-
12 ance expenses of the taxpayer for the taxable
13 year, and

14 “(B) \$3,000, plus

15 “(3) the lesser of—

16 “(A) Federal contents coverage flood in-
17 surance expenses of the taxpayer for the taxable
18 year, and

19 “(B) \$600.

20 “(b) PHASEOUT.—

21 “(1) FEDERAL FLOOD INSURANCE EXPENSE.—

22 The amount determined under subsection (a)(1) for
23 a taxpayer for a taxable year shall be reduced (but
24 not below zero) by—

1 “(A) in the case of a joint return, 1.5 per-
2 cent of so much of the taxpayer’s income for
3 such taxable year as exceeds \$100,000, and

4 “(B) in any other case, 3 percent of so
5 much of the taxpayer’s income for such taxable
6 year as exceeds \$50,000.

7 “(2) PRIVATE FLOOD INSURANCE EXPENSE.—
8 The amount determined under subsection (a)(2) for
9 a taxpayer for a taxable year shall be reduced (but
10 not below zero) by—

11 “(A) in the case of a joint return, 3 per-
12 cent of so much of the taxpayer’s income for
13 such taxable year as exceeds \$100,000, and

14 “(B) in any other case, 6 percent of so
15 much of the taxpayer’s income for such taxable
16 year as exceeds \$50,000.

17 “(3) FEDERAL CONTENTS COVERAGE FLOOD
18 INSURANCE EXPENSE.—The amount determined
19 under subsection (a)(3) for a taxpayer for a taxable
20 year shall be reduced (but not below zero) by—

21 “(A) in the case of a joint return, 0.6 per-
22 cent of so much of the taxpayer’s income for
23 such taxable year as exceeds \$100,000, and

1 “(B) in any other case, 1.2 percent of so
2 much of the taxpayer’s income for such taxable
3 year as exceeds \$50,000.

4 “(c) DEFINITION.—For purposes of this section:

5 “(1) FEDERAL FLOOD INSURANCE EXPENSE.—
6 The term ‘Federal flood insurance expense’ means
7 the excess of—

8 “(A) amounts paid or incurred as pre-
9 miums for flood insurance coverage made avail-
10 able under the National Flood Insurance Act of
11 1968, over

12 “(B) Federal contents coverage flood in-
13 surance expense.

14 “(2) PRIVATE FLOOD INSURANCE EXPENSE.—
15 The term ‘private flood insurance expense’ means
16 amounts paid or incurred as premiums for flood in-
17 surance coverage other than flood insurance cov-
18 erage made available under the National Flood In-
19 surance Act of 1968, including such coverage for the
20 contents of a structure.

21 “(3) FEDERAL CONTENTS COVERAGE FLOOD
22 INSURANCE EXPENSE.—The term ‘Federal contents
23 coverage flood insurance expense’ means amounts
24 paid or incurred as premiums for flood insurance

1 coverage made available under the National Flood
2 Insurance Act of 1968 for contents of a structure.

3 “(d) PRIMARY RESIDENCE.—Federal flood insurance
4 expenses, private flood insurance expenses, and Federal
5 contents coverage flood insurance expenses shall only be
6 taken into account to the extent that such expenses are
7 paid or incurred for coverage related to the taxpayer’s
8 principal residence.

9 “(e) DENIAL OF DOUBLE BENEFIT.—No credit shall
10 be allowed under subsection (a) for any amount with re-
11 spect to which a deduction is allowed due to subsection
12 (c) or (e) of section 280A.

13 “(f) INFLATION ADJUSTMENT.—In the case of any
14 taxable year beginning in calendar years after 2019, each
15 of the dollar amounts in subsections (a) and (b) shall be
16 increased by an amount equal to—

17 “(1) such dollar amount, multiplied by

18 “(2) the cost-of-living adjustment determined
19 under section 1(f)(3) for the calendar year in which
20 the taxable year begins, determined by substituting
21 ‘2018’ for ‘2019’ in subparagraph (A)(ii) thereof.

22 If any amount after adjustment under the preceding sen-
23 tence is not a multiple of \$50, such amount shall be
24 rounded to the next lowest multiple of \$50.”.

1 (b) CLERICAL AMENDMENT.—The table of sections
2 for subpart A of part IV of subchapter A of chapter 1
3 of the Internal Revenue Code of 1986 is amended by in-
4 serting after the item relating to section 25D the following
5 new item:

“Sec. 25E. Flood insurance expenses.”.

6 (c) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to taxable years beginning after
8 December 31, 2018.

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