

115TH CONGRESS
1ST SESSION

S. 2104

To amend the Internal Revenue Code of 1986 to exclude from gross income earthquake loss mitigation received under State-based earthquake loss mitigation programs.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 8, 2017

Ms. HARRIS (for herself and Mrs. FEINSTEIN) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to exclude from gross income earthquake loss mitigation received under State-based earthquake loss mitigation programs.

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 “Earthquake Mitigation
5 Incentive and Tax Parity Act of 2017”.

1 **SEC. 2. EXCLUSION OF EARTHQUAKE LOSS MITIGATION RE-**
 2 **CEIVED UNDER STATE-BASED EARTHQUAKE**
 3 **LOSS MITIGATION PROGRAMS.**

4 (a) IN GENERAL.—Part III of subchapter B of chap-
 5 ter 1 of the Internal Revenue Code of 1986 is amended
 6 by inserting after section 139F the following new section:

7 **“SEC. 139G. STATE-BASED EARTHQUAKE LOSS MITIGATION**
 8 **PROGRAMS.**

9 “(a) IN GENERAL.—Gross income shall not include
 10 any earthquake loss mitigation received by a residential
 11 property owner or occupant under a State-based earth-
 12 quake loss mitigation program.

13 “(b) EARTHQUAKE LOSS MITIGATION.—For pur-
 14 poses of this section—

15 “(1) IN GENERAL.—The term ‘earthquake loss
 16 mitigation’ means any property or service that re-
 17 duces seismic risks to a residential structure or its
 18 contents.

19 “(2) TREATMENT OF REIMBURSEMENTS,
 20 ETC.—Such term shall include any payment, reim-
 21 bursement, loan, loan forgiveness, grant, credit, re-
 22 bate, voucher, or other financial incentive for any
 23 property or service described in paragraph (1).

24 “(3) SEISMIC.—The term ‘seismic’ has the
 25 meaning given such term by section 4(3) of the

1 Earthquake Hazards Reduction Act of 1977 (42
2 U.S.C. 7703(3)).

3 “(c) EARTHQUAKE LOSS MITIGATION PROGRAM.—

4 For purposes of this section, the term ‘earthquake loss
5 mitigation program’ means any program which provides
6 residential property owners or occupants with earthquake
7 loss mitigation and which is established by a State, or
8 agency, instrumentality, or political subdivision thereof, by
9 itself or together with—

10 “(1) an organization described in section 501(c)
11 and exempt from tax under section 501(a),

12 “(2) an organization determined to be exempt
13 from State taxes pursuant to the laws of the rel-
14 evant State, or

15 “(3) a public instrumentality of a State pursu-
16 ant to a joint exercise of powers.

17 “(d) SPECIAL RULES.—

18 “(1) NO INCREASE IN BASIS.—Notwithstanding
19 any other provision of this subtitle, no increase in
20 the basis or adjusted basis of any property shall re-
21 sult from any amount excluded under this subsection
22 with respect to such property.

23 “(2) DENIAL OF DOUBLE BENEFIT.—Notwith-
24 standing any other provision of this subtitle, no de-
25 duction or credit shall be allowed for, or by reason

1 of, any expenditure to the extent of the amount ex-
2 cluded under subsection (a) for any qualified earth-
3 quake mitigation which was provided with respect to
4 such expenditure.”.

5 (b) CLERICAL AMENDMENT.—The table of sections
6 for part III of subchapter B of chapter 1 of such Code
7 is amended by inserting after the item relating to section
8 139F the following new item:

“Sec. 139G. State-based earthquake loss mitigation programs.”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 2016.

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