

108TH CONGRESS
1ST SESSION

H. R. 3107

To amend the Internal Revenue Code of 1986 to provide a tax credit for property owners who remove lead-based paint hazards.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 17, 2003

Mr. CLAY (for himself, Mrs. JONES of Ohio, Mr. WATT, Ms. WATERS, Ms. KILPATRICK, Mr. MEEKS of New York, Mr. FATTAH, Ms. KAPTUR, Mr. DAVIS of Alabama, Mr. DAVIS of Illinois, Mr. LANTOS, Ms. WATSON, Mr. WYNN, Mr. EMANUEL, Ms. MILLENDER-MCDONALD, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. LEWIS of Georgia, Mr. FORD, Ms. JACKSON-LEE of Texas, Mr. VAN HOLLEN, Mr. KUCINICH, Ms. SOLIS, Mr. CONYERS, Ms. MAJETTE, Mr. THOMPSON of Mississippi, Mr. JEFFERSON, Mr. CUMMINGS, Mr. PAYNE, Mr. TOWNS, Mrs. CHRISTENSEN, Ms. LEE, Mr. RANGEL, Mr. JACKSON of Illinois, Ms. CARSON of Indiana, Ms. CORRINE BROWN of Florida, and Ms. NORTON) 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 tax credit for property owners who remove lead-based paint hazards.

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; FINDINGS; PURPOSE.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Home Lead Safety Tax Credit Act of 2003”.

1 (b) FINDINGS.—Congress finds that:

2 (1) Of the 98,000,000 housing units in the
3 United States, 38,000,000 have lead-based paint.

4 (2) Of the 38,000,000 housing units with lead-
5 based paint, 25,000,000 pose a hazard, as defined
6 by Environmental Protection Agency and Depart-
7 ment of Housing and Urban Development standards,
8 due to conditions such as peeling paint and settled
9 dust on floors and windowsills that contain lead at
10 levels above Federal safety standards.

11 (3) Though the number of children in the
12 United States ages 1 through 5 with blood levels
13 higher than the Centers for Disease Control action
14 level of 10 micrograms per deciliter has declined to
15 300,000, lead poisoning remains a serious, entirely
16 preventable threat to a child's intelligence, behavior,
17 and learning.

18 (4) The Secretary of Health and Human Serv-
19 ices has established a national goal of ending child-
20 hood lead poisoning by 2010.

21 (5) Current Federal lead abatement programs,
22 such as the Lead Hazard Control Grant Program of
23 the Department of Housing and Urban Develop-
24 ment, only have resources sufficient to make ap-
25 proximately 7,000 homes lead-safe each year. In

1 many cases, when State and local public health de-
2 partments identify a lead-poisoned child, resources
3 are insufficient to reduce or eliminate the hazards.

4 (6) Approximately 15 percent of children are
5 lead-poisoned by home renovation projects performed
6 by remodelers who fail to follow basic safeguards to
7 control lead dust.

8 (7) Old windows typically pose significant risks
9 because wood trim is more likely to be painted with
10 lead-based paint, moisture causes paint to deterio-
11 rate, and friction generates lead dust. The replace-
12 ment of old windows that contain lead based paint
13 significantly reduces lead poisoning hazards in addi-
14 tion to producing significant energy savings.

15 (c) PURPOSE.—The purpose of this section is to en-
16 courage the safe removal of lead hazards from homes and
17 thereby decrease the number of children who suffer re-
18 duced intelligence, learning difficulties, behavioral prob-
19 lems, and other health consequences due to lead-poisoning.

20 **SEC. 2. LEAD ABATEMENT TAX CREDIT.**

21 (a) IN GENERAL.—Subpart B of part IV of sub-
22 chapter A of chapter 1 (relating to foreign tax credit, etc.)
23 is amended by adding at the end the following new section:

1 **“SEC. 30B. HOME LEAD ABATEMENT.**

2 “(a) ALLOWANCE OF CREDIT.—There shall be al-
3 lowed as a credit against the tax imposed by this chapter
4 an amount equal to 50 percent of the abatement cost paid
5 or incurred by the taxpayer during the taxable year for
6 each eligible dwelling unit of the taxpayer.

7 “(b) LIMITATION.—The amount of the credit allowed
8 under subsection (a) for any eligible dwelling unit shall
9 not exceed—

10 “(1) \$1,500, over

11 “(2) the aggregate cost taken into account
12 under subsection (a) with respect to such unit for all
13 preceding taxable years.

14 “(c) DEFINITIONS AND SPECIAL RULES.—For pur-
15 poses of this section:

16 “(1) ABATEMENT COST.—

17 “(A) IN GENERAL.—The term ‘abatement
18 cost’ means, with respect to any eligible dwell-
19 ing unit—

20 “(i) the cost for a certified risk asses-
21 sor to conduct an assessment to determine
22 the presence of a lead-based paint hazard,

23 “(ii) the cost for a certified lead
24 abatement supervisor to perform the re-
25 moval of paint and dust, the permanent
26 enclosure or encapsulation of lead-based

1 paint, the replacement of painted surfaces
2 or fixtures, or the removal or permanent
3 covering of soil when lead-based paint haz-
4 ards are present in such paint, dust, or
5 soil,

6 “(iii) the cost for a certified lead
7 abatement supervisor to perform all prepa-
8 ration, cleanup, disposal, and
9 postabatement clearance testing activities
10 associated with the activities described in
11 clause (ii), and

12 “(iv) costs incurred by or on behalf of
13 any occupant of such dwelling unit for any
14 relocation which is necessary to achieve oc-
15 cupant protection (as defined under section
16 1345 of title 24, Code of Federal Regula-
17 tions).

18 “(B) LIMITATION.—The term ‘abatement
19 cost’ does not include any cost to the extent
20 such cost is funded by any grant, contract, or
21 otherwise by another person (or any govern-
22 mental agency).

23 “(2) ELIGIBLE DWELLING UNIT.—

24 “(A) IN GENERAL.—The term ‘eligible
25 dwelling unit’ means any dwelling unit—

1 “(i) placed in service before 1978,
2 “(ii) located in the United States, and
3 “(iii) determined by a certified risk
4 assessor to have a lead-based paint hazard.

5 “(B) DWELLING UNIT.—The term ‘dwell-
6 ing unit’ has the meaning given such term by
7 section 280A(f)(1).

8 “(3) LEAD-BASED PAINT HAZARD.—The term
9 ‘lead-based paint hazard’ has the meaning given
10 such term under part 745 of title 40, Code of Fed-
11 eral Regulations.

12 “(4) CERTIFIED LEAD ABATEMENT SUPER-
13 VISOR.—The term ‘certified lead abatement super-
14 visor’ means an individual certified by the Environ-
15 mental Protection Agency pursuant to section
16 745.226 of title 40, Code of Federal Regulations, or
17 an appropriate State agency pursuant to section
18 745.325 of title 40, Code of Federal Regulations.

19 “(5) CERTIFIED INSPECTOR.—The term ‘cer-
20 tified inspector’ means an inspector certified by the
21 Environmental Protection Agency pursuant to sec-
22 tion 745.226 of title 40, Code of Federal Regula-
23 tions, or an appropriate State agency pursuant to
24 section 745.325 of title 40, Code of Federal Regula-
25 tions.

1 “(6) CERTIFIED RISK ASSESSOR.—The term
2 ‘certified risk assessor’ means a risk assessor cer-
3 tified by the Environmental Protection Agency pur-
4 suant to section 745.226 of title 40, Code of Federal
5 Regulations, or an appropriate State agency pursu-
6 ant to section 745.325 of title 40, Code of Federal
7 Regulations.

8 “(7) DOCUMENTATION REQUIRED FOR CREDIT
9 ALLOWANCE.—No credit shall be allowed under sub-
10 section (a) with respect to any eligible dwelling unit
11 unless—

12 “(A) after lead abatement is complete, a
13 certified inspector or certified risk assessor pro-
14 vides written documentation to the taxpayer
15 that includes—

16 “(i) a certification that the
17 postabatement procedures (as defined by
18 section 745.227 of title 40, Code of Fed-
19 eral Regulations) have been performed and
20 that the unit does not contain lead dust
21 hazards (as defined by section
22 745.227(e)(8)(viii) of title 40, Code of
23 Federal Regulations), and

1 “(ii) documentation showing that the
2 lead abatement meets the requirements of
3 this section, and

4 “(B) the taxpayer files with the appro-
5 priate State agency—

6 “(i) the documentation described in
7 subparagraph (A),

8 “(ii) a receipt from the certified risk
9 assessor documenting the costs of deter-
10 mining the presence of a lead-based paint
11 hazard,

12 “(iii) a receipt from the certified lead
13 abatement supervisor documenting the
14 abatement cost (other than the costs de-
15 scribed in paragraph (1)(A)(i)), and

16 “(iv) a statement indicating the age of
17 the dwelling unit.

18 “(8) BASIS REDUCTION.—The basis of any
19 property for which a credit is allowable under sub-
20 section (a) shall be reduced by the amount of such
21 credit (determined without regard to subsection (d)).

22 “(d) LIMITATION BASED ON AMOUNT OF TAX.—The
23 credit allowed under subsection (a) for the taxable year
24 shall not exceed the excess of—

1 “(1) the sum of the regular tax liability (as de-
2 fined in section 26(b)) plus the tax imposed by sec-
3 tion 55, over

4 “(2) the sum of the credits allowable under sub-
5 part A and sections 27, 29, 30, and 30A for the tax-
6 able year.

7 “(e) CARRYFORWARD ALLOWED.—

8 “(1) IN GENERAL.—If the credit amount allow-
9 able under subsection (a) for a taxable year exceeds
10 the amount of the limitation under subsection (d)
11 for such taxable year (referred to as the ‘unused
12 credit year’ in this subsection), such excess shall be
13 allowed as a credit carryforward for each of the 20
14 taxable years following the unused credit year.

15 “(2) RULES.—Rules similar to the rules of sec-
16 tion 39 shall apply with respect to the credit
17 carryforward under paragraph (1).”.

18 (b) CONFORMING AMENDMENTS.—

19 (1) Section 1016(a) is amended by striking
20 “and” in paragraph (27), by striking the period and
21 inserting “, and” in paragraph (28), and by insert-
22 ing at the end the following new paragraph:

23 “(29) in the case of an eligible dwelling unit
24 with respect to which a credit for lead abatement

1 was allowed under section 30B, to the extent pro-
2 vided in section 30B(c)(8).”.

3 (2) The table of sections for subpart B of part
4 IV of subchapter A of chapter 1 is amended by in-
5 serting after the item relating to section 30A the fol-
6 lowing new item:

“Sec. 30B. Home lead abatement.”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to abatement costs incurred after
9 December 31, 2003, in taxable years ending after that
10 date.

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