

110TH CONGRESS
1ST SESSION

H. R. 3918

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

OCTOBER 22, 2007

Mr. RUPPERSBERGER (for himself and Mr. CUMMINGS) 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 2007”.

6 (b) FINDINGS.—Congress finds that:

7 (1) Lead is a metal that can produce a wide
8 range of health effects in humans when ingested.
9 Children are more vulnerable to lead poisoning than
10 adults.

1 (2) Lead poisoning is a serious, entirely pre-
2 ventable threat to a child's intelligence, behavior,
3 and learning.

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

7 (4) Despite this goal, there are still 24,000,000
8 housing units that pose a hazard, as defined by En-
9 vironmental Protection Agency and Department of
10 Housing and Urban Development standards, due to
11 conditions such as peeling paint and settled dust on
12 floors and windowsills that contain lead at levels
13 above Federal safety standards.

14 (5) Current Federal lead abatement programs,
15 such as the Lead Hazard Control Grant Program of
16 the Department of Housing and Urban Develop-
17 ment, only have resources sufficient to make ap-
18 proximately 8,800 homes lead-safe each year. In
19 many cases, when State and local public health de-
20 partments identify a lead-poisoned child, resources
21 are insufficient to reduce or eliminate the hazards.

22 (6) Childhood lead poisoning can be dramati-
23 cally reduced by the abatement or complete removal
24 of all lead-based paint. Empirical studies also have
25 shown substantial reductions in lead poisoning when

1 the affected properties have undergone “interim con-
2 trol measures” that are far less costly than abate-
3 ment.

4 (c) PURPOSE.—The purpose of this Act is to encour-
5 age the safe removal of lead hazards from homes and
6 thereby decrease the number of children who suffer re-
7 duced intelligence, learning difficulties, behavioral prob-
8 lems, and other health consequences due to lead-poisoning.

9 **SEC. 2. HOME LEAD HAZARD REDUCTION ACTIVITY TAX**
10 **CREDIT.**

11 (a) IN GENERAL.—Subpart B of part IV of sub-
12 chapter A of chapter 1 of the Internal Revenue Code of
13 1986 (relating to foreign tax credit, etc.) is amended by
14 adding at the end the following new section:

15 **“SEC. 30D. HOME LEAD HAZARD REDUCTION ACTIVITY.**

16 “(a) ALLOWANCE OF CREDIT.—There shall be al-
17 lowed as a credit against the tax imposed by this chapter
18 for the taxable year an amount equal to 50 percent of the
19 lead hazard reduction activity cost paid or incurred by the
20 taxpayer during the taxable year for each eligible dwelling
21 unit.

22 “(b) LIMITATION.—The amount of the credit allowed
23 under subsection (a) for any eligible dwelling unit for any
24 taxable year shall not exceed—

25 “(1) either—

1 “(A) \$3,000 in the case of lead hazard re-
 2 duction activity cost including lead abatement
 3 measures described in clauses (i), (ii), (iv) and
 4 (v) of subsection (c)(1)(A), or

5 “(B) \$1,000 in the case of lead hazard re-
 6 duction activity cost including interim lead con-
 7 trol measures described in clauses (i), (iii), (iv),
 8 and (v) of subsection (c)(1)(A), reduced by

9 “(2) the aggregate lead hazard reduction activ-
 10 ity cost taken into account under subsection (a) with
 11 respect to such unit for all preceding taxable years.

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

14 “(1) LEAD HAZARD REDUCTION ACTIVITY
 15 COST.—

16 “(A) IN GENERAL.—The term ‘lead hazard
 17 reduction activity cost’ means, with respect to
 18 any eligible dwelling unit—

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

22 “(ii) the cost for performing lead
 23 abatement measures by a certified lead
 24 abatement supervisor, including the re-
 25 moval of paint and dust, the permanent

1 enclosure or encapsulation of lead-based
2 paint, the replacement of painted surfaces,
3 windows, or fixtures, or the removal or
4 permanent covering of soil when lead-based
5 paint hazards are present in such paint,
6 dust, or soil,

7 “(iii) the cost for performing interim
8 lead control measures to reduce exposure
9 or likely exposure to lead-based paint haz-
10 ards, including specialized cleaning, re-
11 pairs, maintenance, painting, temporary
12 containment, ongoing monitoring of lead-
13 based paint hazards, and the establishment
14 and operation of management and resident
15 education programs, but only if such meas-
16 ures are evaluated and completed by a cer-
17 tified lead abatement supervisor using ac-
18 cepted methods, are conducted by a quali-
19 fied contractor, and have an expected use-
20 ful life of more than 10 years,

21 “(iv) the cost for a certified lead
22 abatement supervisor, those working under
23 the supervision of such supervisor, or a
24 qualified contractor to perform all prepara-
25 tion, cleanup, disposal, and clearance test-

1 ing activities associated with the lead
2 abatement measures or interim lead con-
3 trol measures, and

4 “(v) costs incurred by or on behalf of
5 any occupant of such dwelling unit for any
6 relocation which is necessary to achieve oc-
7 cupant protection (as defined under section
8 35.1345 of title 24, Code of Federal Regu-
9 lations).

10 “(B) LIMITATION.—The term ‘lead hazard
11 reduction activity cost’ does not include any
12 cost to the extent such cost is funded by any
13 grant, contract, or otherwise by another person
14 (or any governmental agency).

15 “(2) ELIGIBLE DWELLING UNIT.—

16 “(A) IN GENERAL.—The term ‘eligible
17 dwelling unit’ means, with respect to any tax-
18 able year, any dwelling unit—

19 “(i) placed in service before 1960,

20 “(ii) located in the United States,

21 “(iii) in which resides, for a total pe-
22 riod of not less than 50 percent of the tax-
23 able year, at least 1 child who has not at-
24 tained the age of 6 years or 1 woman of
25 child-bearing age, and

1 “(iv) each of the residents of which
2 during such taxable year has an adjusted
3 gross income of less than 185 percent of
4 the poverty line (as determined for such
5 taxable year in accordance with criteria es-
6 tablished by the Director of the Office of
7 Management and Budget).

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

11 “(3) LEAD-BASED PAINT HAZARD.—The term
12 ‘lead-based paint hazard’ has the meaning given
13 such term by section 745.61 of title 40, Code of
14 Federal Regulations.

15 “(4) CERTIFIED LEAD ABATEMENT SUPER-
16 VISOR.—The term ‘certified lead abatement super-
17 visor’ means an individual certified by the Environ-
18 mental Protection Agency pursuant to section
19 745.226 of title 40, Code of Federal Regulations, or
20 an appropriate State agency pursuant to section
21 745.325 of title 40, Code of Federal Regulations.

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

1 tions, or an appropriate State agency pursuant to
2 section 745.325 of title 40, Code of Federal Regula-
3 tions.

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

11 “(7) QUALIFIED CONTRACTOR.—The term
12 ‘qualified contractor’ means any contractor who has
13 successfully completed a training course on lead safe
14 work practices which has been approved by the De-
15 partment of Housing and Urban Development and
16 the Environmental Protection Agency.

17 “(8) DOCUMENTATION REQUIRED FOR CREDIT
18 ALLOWANCE.—No credit shall be allowed under sub-
19 section (a) with respect to any eligible dwelling unit
20 for any taxable year unless—

21 “(A) after lead hazard reduction activity is
22 complete, a certified inspector or certified risk
23 assessor provides written documentation to the
24 taxpayer that includes—

25 “(i) evidence that—

1 “(I) the eligible dwelling unit
2 passes the clearance examinations re-
3 quired by the Department of Housing
4 and Urban Development under part
5 35 of title 40, Code of Federal Regu-
6 lations,

7 “(II) the eligible dwelling unit
8 does not contain lead dust hazards (as
9 defined by section 745.227(e)(8)(viii)
10 of such title 40), or

11 “(III) the eligible dwelling unit
12 meets lead hazard evaluation criteria
13 established under an authorized State
14 or local program, and

15 “(ii) documentation showing that the
16 lead hazard reduction activity meets the
17 requirements of this section, and

18 “(B) the taxpayer files with the appro-
19 priate State agency and attaches to the tax re-
20 turn for the taxable year—

21 “(i) the documentation described in
22 subparagraph (A),

23 “(ii) documentation of the lead hazard
24 reduction activity costs paid or incurred

1 during the taxable year with respect to the
2 eligible dwelling unit, and

3 “(iii) a statement certifying that the
4 dwelling unit qualifies as an eligible dwell-
5 ing unit for such taxable year.

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

10 “(10) NO DOUBLE BENEFIT.—Any deduction
11 allowable for costs taken into account in computing
12 the amount of the credit for lead-based paint abate-
13 ment shall be reduced by the amount of such credit
14 attributable to such costs.

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

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

21 “(2) the sum of the credits allowable under sub-
22 part A and sections 27, 29, 30, 30A, 30B, and 30C
23 for the taxable year.

24 “(e) CARRYFORWARD ALLOWED.—

1 “(1) IN GENERAL.—If the credit amount allow-
2 able under subsection (a) for a taxable year exceeds
3 the amount of the limitation under subsection (d)
4 for such taxable year (referred to as the ‘unused
5 credit year’ in this subsection), such excess shall be
6 allowed as a credit carryforward for each of the 20
7 taxable years following the unused credit year.

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

11 (b) CONFORMING AMENDMENTS.—

12 (1) Section 1016(a) of the Internal Revenue
13 Code of 1986 is amended by striking “and” in para-
14 graph (36), by striking the period and inserting “,
15 and” in paragraph (37), and by inserting at the end
16 the following new paragraph:

17 “(38) in the case of an eligible dwelling unit
18 with respect to which a credit for any lead hazard
19 reduction activity cost was allowed under section
20 30D, to the extent provided in section 30D(c)(9).”.

21 (2) The table of sections for subpart B of part
22 IV of subchapter A of chapter 1 of such Code is
23 amended by inserting after the item relating to sec-
24 tion 30C the following new item:

“Sec. 30D. Home lead hazard reduction activity.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to lead hazard reduction activity
3 costs incurred after December 31, 2007, in taxable years
4 ending after that date.

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