

112TH CONGRESS  
1ST SESSION

# H. R. 2067

To amend the Internal Revenue Code of 1986 to provide a credit against tax for hurricane and tornado mitigation expenditures.

---

IN THE HOUSE OF REPRESENTATIVES

JUNE 1, 2011

Mr. BILIRAKIS 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 credit against tax for hurricane and tornado mitigation expenditures.

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 “Hurricane and Tor-  
5 nado Mitigation Investment Act of 2011”.

6 **SEC. 2. NONREFUNDABLE PERSONAL CREDIT FOR HURRI-**  
7 **CANE AND TORNADO MITIGATION PROPERTY.**

8 (a) IN GENERAL.—Subpart A of part IV of sub-  
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by inserting after section 25D the fol-  
2 lowing new section:

3 **“SEC. 25E. HURRICANE AND TORNADO MITIGATION PROP-**  
4 **ERTY.**

5 “(a) ALLOWANCE OF CREDIT.—In the case of an in-  
6 dividual, there shall be allowed as a credit against the tax  
7 imposed by this chapter for the taxable year an amount  
8 equal to 25 percent of the qualified hurricane and tornado  
9 mitigation property expenditures made by the taxpayer  
10 during such taxable year.

11 “(b) MAXIMUM CREDIT.—The credit allowed under  
12 subsection (a) for any taxable year shall not exceed  
13 \$5,000.

14 “(c) QUALIFIED HURRICANE AND TORNADO MITIGA-  
15 TION EXPENDITURE.—For purposes of this section—

16 “(1) IN GENERAL.—The term ‘qualified hurri-  
17 cane and tornado mitigation property expenditure’  
18 means an expenditure for property—

19 “(A) to improve the strength of a roof  
20 deck attachment,

21 “(B) to create a secondary water barrier to  
22 prevent water intrusion,

23 “(C) to improve the durability of a roof  
24 covering,

25 “(D) to brace gable-end walls,

1           “(E) to reinforce the connection between a  
2           roof and supporting wall,

3           “(F) to protect openings from penetration  
4           by windborne debris, or

5           “(G) to protect exterior doors and garages,  
6           in a qualified dwelling unit located in a qualified  
7           State and owned by the taxpayer.

8           “(2) QUALIFIED DWELLING UNIT.—The term  
9           ‘qualified dwelling unit’ means a dwelling unit that  
10          is assessed at a value that is less than \$1,000,000  
11          by the locality in which such dwelling unit is located  
12          and with respect to the taxable year for which the  
13          credit described in subsection (a) is allowed.

14          “(3) QUALIFIED STATE.—The term ‘qualified  
15          State’ means Alabama, Arkansas, Colorado, Con-  
16          necticut, Delaware, Florida, Georgia, Hawaii, Illi-  
17          nois, Indiana, Iowa, Kansas, Kentucky, Louisiana,  
18          Maine, Maryland, Massachusetts, Minnesota, Mis-  
19          sissippi, Missouri, Nebraska, New Hampshire, New  
20          Jersey, New York, North Carolina, Ohio, Pennsyl-  
21          vania, Rhode Island, South Carolina, South Dakota,  
22          Tennessee, Texas, or Virginia.

23          “(d) LIMITATION.—An expenditure shall be taken  
24          into account in determining the qualified hurricane and  
25          tornado mitigation property expenditures made by the tax-

1 payer during the taxable year only if the onsite prepara-  
2 tion, assembly, or original installation of the property with  
3 respect to which such expenditure is made has been com-  
4 pleted in a manner that is deemed to be adequate by a  
5 State-certified inspector.

6 “(e) LABOR COSTS.—For purposes of this section,  
7 expenditures for labor costs properly allocable to the onsite  
8 preparation, assembly, or original installation of the prop-  
9 erty described in subsection (c) shall be taken into account  
10 in determining the qualified hurricane and tornado mitiga-  
11 tion property expenditures made by the taxpayer during  
12 the taxable year.

13 “(f) INSPECTION COSTS.—For purposes of this sec-  
14 tion, expenditures for inspection costs properly allocable  
15 to the inspection of the preparation, assembly, or installa-  
16 tion of the property described in subsection (c) shall be  
17 taken into account in determining the qualified hurricane  
18 and tornado mitigation property expenditures made by the  
19 taxpayer during the taxable year.”.

20 (b) CONFORMING AMENDMENT.—The table of sec-  
21 tions for subpart A of part IV of subchapter A of chapter  
22 1 of such Code is amended by inserting after the item  
23 relating to section 25D the following new item:

“Sec. 25E. Hurricane and tornado mitigation property.”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2010.

4 **SEC. 3. BUSINESS RELATED CREDIT FOR HURRICANE AND**  
5 **TORNADO MITIGATION.**

6 (a) IN GENERAL.—Subpart D of part IV of sub-  
7 chapter A of chapter 1 of the Internal Revenue Code of  
8 1986 is amended by inserting after section 45R the fol-  
9 lowing new section:

10 **“SEC. 45S. HURRICANE AND TORNADO MITIGATION CRED-**  
11 **IT.**

12 “(a) GENERAL RULE.—For purposes of section 38,  
13 the hurricane and tornado mitigation credit determined  
14 under this section for any taxable year is an amount equal  
15 to 25 percent of the qualified hurricane and tornado miti-  
16 gation property expenditures made by the taxpayer during  
17 the taxable year.

18 “(b) MAXIMUM CREDIT.—The amount of the credit  
19 determined under subsection (a) for any taxable year shall  
20 not exceed \$5,000.

21 “(c) QUALIFIED HURRICANE AND TORNADO MITIGA-  
22 TION EXPENDITURE.—For purposes of this section—

23 “(1) IN GENERAL.—The term ‘qualified hurri-  
24 cane and tornado mitigation property expenditure’  
25 means an expenditure for property—

1           “(A) to improve the strength of a roof  
2           deck attachment,

3           “(B) to create a secondary water barrier to  
4           prevent water intrusion,

5           “(C) to improve the durability of a roof  
6           covering,

7           “(D) to brace gable-end walls,

8           “(E) to reinforce the connection between a  
9           roof and supporting wall,

10          “(F) to protect openings from penetration  
11          by windborne debris, or

12          “(G) to protect exterior doors and garages,  
13          in a qualified place of business located in a qualified  
14          State and owned by the taxpayer.

15          “(2) QUALIFIED PLACE OF BUSINESS.—The  
16          term ‘qualified place of business’ means a place of  
17          business that is assessed at a value that is less than  
18          \$5,000,000 by the locality in which such business is  
19          located and with respect to the taxable year for  
20          which the credit described in subsection (a) is al-  
21          lowed.

22          “(3) QUALIFIED STATE.—The term ‘qualified  
23          State’ means Alabama, Arkansas, Colorado, Con-  
24          necticut, Delaware, Florida, Georgia, Hawaii, Illi-  
25          nois, Indiana, Iowa, Kansas, Kentucky, Louisiana,

1 Maine, Maryland, Massachusetts, Minnesota, Mis-  
2 sissippi, Missouri, Nebraska, New Hampshire, New  
3 Jersey, New York, North Carolina, Ohio, Pennsyl-  
4 vania, Rhode Island, South Carolina, South Dakota,  
5 Tennessee, Texas, or Virginia.

6 “(d) LIMITATION.—An expenditure shall be taken  
7 into account in determining the qualified hurricane and  
8 tornado mitigation property expenditures made by the tax-  
9 payer during the taxable year only if the onsite prepara-  
10 tion, assembly, or original installation of the property with  
11 respect to which such expenditure is made has been com-  
12 pleted in a manner that is deemed to be adequate by a  
13 State-certified inspector.

14 “(e) LABOR COSTS.—For purposes of this section,  
15 expenditures for labor costs properly allocable to the onsite  
16 preparation, assembly, or original installation of the prop-  
17 erty described in subsection (c) shall be taken into account  
18 in determining the qualified hurricane and tornado mitiga-  
19 tion property expenditures made by the taxpayer during  
20 the taxable year.

21 “(f) INSPECTION COSTS.—For purposes of this sec-  
22 tion, expenditures for inspection costs properly allocable  
23 to the inspection of the preparation, assembly, or installa-  
24 tion of the property described in subsection (c) shall be  
25 taken into account in determining the qualified hurricane

1 and tornado mitigation property expenditures made by the  
2 taxpayer during the taxable year.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 38(b) of such Code is amended by  
5 striking “plus” at the end of paragraph (35), by  
6 striking the period at the end of paragraph (36) and  
7 inserting “, plus”, and by adding at the end the fol-  
8 lowing new paragraph:

9 “(37) the hurricane and tornado mitigation  
10 credit determined under section 45S(a).”.

11 (2) The table of sections for subpart D of part  
12 IV of subchapter A of chapter 1 of such Code is  
13 amended by inserting after the item relating to sec-  
14 tion 45R the following new item:

“Sec. 45S. Hurricane and tornado mitigation credit.”.

15 (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to taxable years beginning after  
17 December 31, 2010.

○