

114TH CONGRESS
1ST SESSION

H. R. 2746

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 12, 2015

Mr. BILIRAKIS (for himself, Mr. COLE, Ms. BROWN of Florida, and Mr. DIAZ-BALART) 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 “Strengthening Homes
5 and Eliminating Liabilities Through Encouraging Readiness
6 Act” or the “SHELTER Act”.

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

3 (a) IN GENERAL.—Subpart A of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue Code of
5 1986 is amended by inserting after section 25D the fol-
6 lowing new section:

7 **“SEC. 25E. HURRICANE AND TORNADO MITIGATION PROP-**
8 **ERTY.**

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

15 “(b) MAXIMUM CREDIT.—The credit allowed under
16 subsection (a) for any taxable year shall not exceed
17 \$5,000.

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

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

23 “(A) to improve the strength of a roof
24 deck attachment,

25 “(B) to create a secondary water barrier to
26 prevent water intrusion,

1 “(C) to improve the durability of a roof
2 covering,

3 “(D) to brace gable-end walls,

4 “(E) to reinforce the connection between a
5 roof and supporting wall,

6 “(F) to protect openings from penetration
7 by windborne debris, or

8 “(G) to protect exterior doors and garages,
9 in a qualified dwelling unit located in the United
10 States and owned by the taxpayer.

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

17 “(d) LIMITATION.—An expenditure shall be taken
18 into account in determining the qualified hurricane and
19 tornado mitigation property expenditures made by the tax-
20 payer during the taxable year only if the onsite prepara-
21 tion, assembly, or original installation of the property with
22 respect to which such expenditure is made has been com-
23 pleted in a manner that is deemed to be adequate by a
24 State-certified inspector.

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

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

15 (b) CONFORMING AMENDMENT.—The table of sec-
16 tions for subpart A of part IV of subchapter A of chapter
17 1 of such Code is amended by inserting after the item
18 relating to section 25D the following new item:

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

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 2014.

22 **SEC. 3. BUSINESS-RELATED CREDIT FOR HURRICANE AND**
23 **TORNADO MITIGATION.**

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

1 1986 is amended by inserting after section 45R the fol-
2 lowing new section:

3 **“SEC. 45S. HURRICANE AND TORNADO MITIGATION CRED-**
4 **IT.**

5 “(a) GENERAL RULE.—For purposes of section 38,
6 the hurricane and tornado mitigation credit determined
7 under this section for any taxable year is an amount equal
8 to 25 percent of the qualified hurricane and tornado miti-
9 gation property expenditures made by the taxpayer during
10 the taxable year.

11 “(b) MAXIMUM CREDIT.—The amount of the credit
12 determined under subsection (a) for any taxable year shall
13 not exceed \$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 place of business located in the United
7 States and owned by the taxpayer.

8 “(2) QUALIFIED PLACE OF BUSINESS.—The
9 term ‘qualified place of business’ means a place of
10 business that is assessed at a value that is less than
11 \$5,000,000 by the locality in which such business is
12 located and with respect to the taxable year for
13 which the credit described in subsection (a) is al-
14 lowed.

15 “(d) LIMITATION.—An expenditure shall be taken
16 into account in determining the qualified hurricane and
17 tornado mitigation property expenditures made by the tax-
18 payer during the taxable year only if the onsite prepara-
19 tion, assembly, or original installation of the property with
20 respect to which such expenditure is made has been com-
21 pleted in a manner that is deemed to be adequate by a
22 State-certified inspector.

23 “(e) LABOR COSTS.—For purposes of this section,
24 expenditures for labor costs properly allocable to the onsite
25 preparation, assembly, or original installation of the prop-

erty described in subsection (c) shall be taken into account in determining the qualified hurricane and tornado mitigation property expenditures made by the taxpayer during the taxable year.

“(f) INSPECTION COSTS.—For purposes of this section, expenditures for inspection costs properly allocable to the inspection of the preparation, assembly, or installation of the property described in subsection (c) shall be taken into account in determining the qualified hurricane and tornado mitigation property expenditures made by the taxpayer during the taxable year.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) of such Code is amended by striking “plus” at the end of paragraph (35), by striking the period at the end of paragraph (36) and inserting “, plus”, and by adding at the end the following new paragraph:

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

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

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

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2014.

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