

115TH CONGRESS
1ST SESSION

S. 1575

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

IN THE SENATE OF THE UNITED STATES

JULY 18, 2017

Mr. WHITEHOUSE (for himself, Mr. CASEY, and Mrs. SHAHEEN) 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 provide a tax credit for taxpayers who remove lead-based 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 2017”.

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. In severe cases, lead poisoning can re-
4 sult in death.

5 (3) According to the Department of Housing
6 and Urban Development, approximately 23,000,000
7 housing units nationwide have at least 1 lead paint
8 hazard.

9 (4) While appropriated Federal lead abatement
10 programs, such as the Lead Hazard Control and
11 Healthy Homes grant programs, have helped reduce
12 childhood lead poisoning, funding constraints have
13 limited their impact to only about 200,000 homes as
14 of 2016.

15 (5) Childhood lead poisoning can be dramati-
16 cally reduced by the abatement or complete removal
17 of all lead-based hazards. Empirical studies also
18 have shown substantial reductions in lead poisoning
19 when the affected properties have undergone “in-
20 terim control measures” that are less costly than
21 abatement.

22 (c) PURPOSE.—The purpose of this section is to en-
23 courage the safe removal of lead hazards from homes and
24 thereby decrease the number of children who suffer re-

duced intelligence, learning difficulties, behavioral problems, and other health consequences due to lead poisoning.

SEC. 2. HOME LEAD HAZARD REDUCTION ACTIVITY TAX CREDIT.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 36B the following new section:

“SEC. 36C. HOME LEAD HAZARD REDUCTION ACTIVITY.

“(a) ALLOWANCE OF CREDIT.—

“(1) IN GENERAL.—Subject to paragraph (2), there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to 50 percent of the lead hazard reduction activity cost paid or incurred by the taxpayer during the taxable year for each eligible dwelling unit.

“(2) ELECTION TO APPLY COSTS TO PRIOR YEAR.—For purposes of this section, a taxpayer may elect to treat any lead hazard reduction activity cost paid or incurred by the taxpayer during the taxable year as having been paid or incurred during the preceding taxable year.

“(b) LIMITATIONS.—

“(1) IN GENERAL.—Subject to paragraph (3), the amount of the credit allowed under subsection

1 (a) for any eligible dwelling unit for any taxable year
2 shall not exceed—

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

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

11 “(2) OTHER TAX CREDITS.—In the case of any
12 credit against State or local tax liabilities which is
13 allowable under the laws of any State or political
14 subdivision thereof to a taxpayer with respect to any
15 costs paid or incurred by the taxpayer which would
16 otherwise qualify as lead hazard reduction activity
17 costs under this section (referred to in this para-
18 graph as the ‘State or local tax credit amount’), the
19 amount of the credit allowed under subsection (a)
20 for any eligible dwelling unit for any taxable year
21 (determined after application of paragraph (1)) shall
22 not exceed an amount equal to the difference be-
23 tween—

1 “(A) the lead hazard reduction activity
 2 cost paid or incurred by the taxpayer during
 3 the taxable year for such unit, and

4 “(B) the State or local tax credit amount.

5 “(3) LIMITATION PER RESIDENCE.—The cumu-
 6 lative amount of the credit allowed under subsection
 7 (a) for an eligible dwelling unit for all taxable years
 8 shall not exceed \$4,000.

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

11 “(1) LEAD HAZARD REDUCTION ACTIVITY
 12 COST.—

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

16 “(i) the cost for a certified risk asses-
 17 sor to conduct an assessment to determine
 18 the presence of a lead-based hazard (as
 19 such terms are defined by the Secretary, in
 20 consultation with the Administrator of the
 21 Environmental Protection Agency),

22 “(ii) the cost for performing lead
 23 abatement measures by a certified lead
 24 abatement supervisor (as such term is de-
 25 fined by the Secretary, in consultation with

1 the Administrator of the Environmental
2 Protection Agency), including the removal
3 of paint, dust, or pipes, the permanent en-
4 closure or encapsulation of lead-based
5 paint or pipes, the replacement of painted
6 surfaces, windows, or fixtures, or the re-
7 moval or permanent covering of soil when
8 lead-based hazards are present,

9 “(iii) the cost for performing interim
10 lead control measures to reduce exposure
11 or likely exposure to lead-based hazards,
12 including specialized cleaning, repairs,
13 maintenance, painting, temporary contain-
14 ment, ongoing monitoring of lead-based
15 hazards, and the establishment and oper-
16 ation of management and resident edu-
17 cation programs, but only if such measures
18 are evaluated and completed by a certified
19 lead abatement supervisor using accepted
20 methods, are conducted by a qualified con-
21 tractor, and have an expected useful life of
22 more than 10 years,

23 “(iv) the cost for a certified lead
24 abatement supervisor, those working under
25 the supervision of such supervisor, or a

1 qualified contractor to perform all prepara-
 2 tion, cleanup, disposal, and clearance test-
 3 ing activities associated with the lead
 4 abatement measures or interim lead con-
 5 trol measures, and

6 “(v) costs incurred by or on behalf of
 7 any occupant of such dwelling unit for any
 8 relocation which is necessary to achieve oc-
 9 cupant protection (as such term is defined
 10 by the Secretary, in consultation with the
 11 Administrator of the Environmental Pro-
 12 tection Agency).

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

18 “(2) ELIGIBLE DWELLING UNIT.—

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

22 “(i) placed in service before 1978,

23 “(ii) located in the United States, and

24 “(iii) the residents of which during
 25 the preceding taxable year have a cumu-

1 lative adjusted gross income of less than
2 \$110,000.

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

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

12 “(4) DOCUMENTATION REQUIRED FOR CREDIT
13 ALLOWANCE.—No credit shall be allowed under sub-
14 section (a) with respect to any eligible dwelling unit
15 for any taxable year unless, after lead hazard reduc-
16 tion activity is complete, a certified inspector (as
17 such term is defined by the Secretary, in consulta-
18 tion with the Administrator of the Environmental
19 Protection Agency) or certified risk assessor pro-
20 vides written documentation to the taxpayer that in-
21 cludes—

22 “(A) evidence that—

23 “(i) the eligible dwelling unit meets
24 the lead hazard reduction criteria defined
25 by the Secretary, in consultation with the

1 Administrator of the Environmental Pro-
 2 tection Agency, or

3 “(ii) the eligible dwelling unit meets
 4 lead hazard evaluation criteria established
 5 under an authorized State or local pro-
 6 gram, and

7 “(B) documentation showing that the lead
 8 hazard reduction activity meets the require-
 9 ments of this section.

10 “(5) BASIS REDUCTION.—The basis of any
 11 property for which a credit is allowable under sub-
 12 section (a) shall be reduced by the amount of such
 13 credit.

14 “(6) NO DOUBLE BENEFIT.—Any deduction al-
 15 lowable for costs taken into account in computing
 16 the amount of the credit for lead-based abatement
 17 shall be reduced by the amount of such credit attrib-
 18 utable to such costs.

19 “(d) INFLATION ADJUSTMENT.—In the case of any
 20 taxable year beginning in a calendar year after 2018, each
 21 of the dollar amounts in subsections (b) and (c)(2)(A)(iii)
 22 shall be increased by an amount equal to—

23 “(1) such dollar amount, multiplied by

24 “(2) the cost-of-living adjustment determined
 25 under section 1(f)(3) for the calendar year in which

1 the taxable year begins, determined by substituting
 2 ‘calendar year 2017’ for ‘calendar year 1992’ in sub-
 3 paragraph (B) thereof. Any increase determined
 4 under the preceding sentence shall be rounded to the
 5 nearest multiple of \$100.”.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Section 1324(b)(2) of title 31, United
 8 States Code, is amended by inserting “, 36C” after
 9 “36B”.

10 (2) The table of sections for subpart C of part
 11 IV of subchapter A of chapter 1 of the Internal Rev-
 12 enue Code of 1986 is amended by inserting before
 13 the item relating to section 37 the following new
 14 item:

“Sec. 36C. Home lead hazard reduction activity.”.

15 (c) EFFECTIVE DATE.—The amendments made by
 16 this section shall apply to lead hazard reduction activity
 17 costs incurred after December 31, 2017, in taxable years
 18 ending after that date.

