

117TH CONGRESS
1ST SESSION

H. R. 4675

To amend the Internal Revenue Code of 1986 to exclude from gross income amounts received from State-based catastrophe loss mitigation programs.

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 2021

Mr. THOMPSON of California (for himself, Mr. PANETTA, Mr. AGUILAR, Mr. GARAMENDI, Mr. ROUZER, Mr. RICE of South Carolina, Ms. CHU, Ms. SEWELL, Ms. SÁNCHEZ, Mr. BERA, Ms. SPEIER, Mr. GOMEZ, and Mr. CALVERT) 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 exclude from gross income amounts received from State-based catastrophe loss mitigation programs.

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 “Disaster Mitigation
5 and Tax Parity Act of 2021”.

1 **SEC. 2. EXCLUSION OF AMOUNTS RECEIVED FROM STATE-**
2 **BASED CATASTROPHE LOSS MITIGATION**
3 **PROGRAMS.**

4 (a) IN GENERAL.—Section 139 of the Internal Rev-
5 enue Code of 1986 is amended by redesignating subsection
6 (h) as subsection (i) and by inserting after subsection (g)
7 the following new subsection:

8 “(h) STATE-BASED CATASTROPHE LOSS MITIGATION
9 PROGRAMS.—

10 “(1) IN GENERAL.—Gross income shall not in-
11 clude any amount received by an individual as a
12 qualified catastrophe mitigation payment under a
13 program established by—

14 “(A) a State,

15 “(B) a political subdivision or instrumen-
16 tality thereof, or

17 “(C) an entity established under State
18 charter,

19 for the purpose of making such payments.

20 “(2) QUALIFIED CATASTROPHE MITIGATION
21 PAYMENT.—For purposes of this section, the term
22 ‘qualified catastrophe mitigation payment’ means
23 any amount which is received by an individual to
24 make improvements to such individual’s residence
25 for the sole purpose of reducing the damage that

1 would be done to such residence by a windstorm,
2 earthquake, or wildfire.

3 “(3) NO INCREASE IN BASIS.—Rules similar to
4 the rules of subsection (g)(3) shall apply in the case
5 of this subsection.”.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Section 139(d) is amended by striking “and
8 qualified” and inserting “, qualified catastrophe
9 mitigation payments, and qualified”.

10 (2) Section 139(i) (as redesignated by sub-
11 section (a)) is amended by striking “or qualified”
12 and inserting “, qualified catastrophe mitigation
13 payment, or qualified”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31, 2021.

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