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(Original Signature of Member)

113TH CONGRESS  
1ST SESSION

# H. R. \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to provide a credit for owning certain disaster resilient property.

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IN THE HOUSE OF REPRESENTATIVES

Mr. DIAZ-BALART introduced the following bill; which was referred to the Committee on \_\_\_\_\_

## A BILL

To amend the Internal Revenue Code of 1986 to provide a credit for owning certain disaster resilient property.

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 Savings and  
5       Resilient Construction Act of 2013”.

6       **SEC. 2. DISASTER RESILIENT PROPERTY TAX CREDIT.**

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

1 1986 is amended by inserting after section 30D the fol-  
2 lowing new section:

3 **“SEC. 30E. DISASTER RESILIENT PROPERTY.**

4 “(a) GENERAL RULE.—There shall be allowed as a  
5 credit against the tax imposed by this chapter for the tax-  
6 able year an amount equal to the applicable amount for  
7 each qualified building placed in service during the taxable  
8 year.

9 “(b) APPLICABLE AMOUNT.—For purposes of sub-  
10 section (a)—

11 “(1) COMMERCIAL PROPERTY.—In the case of a  
12 qualified commercial property, the applicable amount  
13 is the lesser of—

14 “(A) 1 percent of the cost of the building,  
15 or

16 “(B) \$25,000 per building.

17 “(2) RESIDENTIAL PROPERTY.—In the case of  
18 a qualified residential property, the applicable  
19 amount is the lesser of—

20 “(A) 1 percent of the cost of the property  
21 (or construction cost for rehabilitation of the  
22 property), or

23 “(B) \$3,000 per property.

24 “(c) QUALIFIED BUILDING.—For purposes of sub-  
25 section (a)—

1           “(1) IN GENERAL.—The term ‘qualified build-  
2       ing’ means a building—

3           “(A) owned by the taxpayer in a disaster  
4       area determined as a result of a federally de-  
5       clared major disaster,

6           “(B) the construction of which began after  
7       the date of such disaster in that area,

8           “(C) which—

9           “(i) is qualified commercial property  
10       placed in service for commercial purposes,  
11       or

12           “(ii) is qualified residential property is  
13       placed in service for residential purposes,  
14       and

15           “(D) for which a certificate of occupancy is  
16       issued before the end of the 3-year period be-  
17       ginning on the date of such disaster declaration  
18       in that area.

19           “(2) QUALIFIED COMMERCIAL PROPERTY.—The  
20       term ‘qualified commercial property’ means a build-  
21       ing that is—

22           “(A) located in the United States,

23           “(B) defined in the scope of the 2009 or  
24       later International Building Code published by  
25       the International Code Council, and

1           “(C) designed and constructed to meet re-  
2           siliant construction requirements.

3           “(3) QUALIFIED RESIDENTIAL PROPERTY.—

4           The term ‘qualified residential property’ means a  
5           building that is—

6           “(A) located in the United States,

7           “(B) defined in the scope of the 2009 or  
8           later International Residential Code published  
9           by the International Code Council, and

10           “(C) designed and constructed to meet re-  
11           siliant construction requirements.

12           “(d) RESILIENT CONSTRUCTION REQUIREMENTS.—

13           For purposes of this section—

14           “(1) IN GENERAL.—The resilient construction  
15           requirements with respect to a property are that the  
16           property is designed and constructed to—

17           “(A) resist hazards brought on by a major  
18           disaster and continues to provide its primary  
19           functions after a major disaster,

20           “(B) reduce the magnitude or duration of  
21           a disruptive event, and

22           “(C) have the absorptive capacity, adaptive  
23           capacity, recoverability to withstand a poten-  
24           tially disruptive event.

1           “(2) TREATED AS MEETING RESILIENCY RE-  
2           QUIREMENTS.—For purposes of paragraph (1)—

3           “(A) in the case of a qualified commercial  
4           property, the property shall be treated as meet-  
5           ing the requirements specified in paragraph (1)  
6           if the property is a building which—

7           “(i) was designed to meet the require-  
8           ments of the 2009 or later International  
9           Building Code published by the Inter-  
10          national Code Council and received the In-  
11          surance Institute for Business and Home  
12          Safety FORTIFIED for Safer Business  
13          designation, or

14          “(ii) was designed and built in a juris-  
15          diction that requires commercial buildings  
16          to meet the requirements of the 2009 or  
17          later International Building Code pub-  
18          lished by the International Code Council  
19          with amendments that are equivalent or  
20          more restrictive than the requirements de-  
21          scribed in FORTIFIED for Safer Business  
22          Standards published by the Insurance In-  
23          stitute for Business and Home Safety and  
24          received a certificate of occupancy (or  
25          other documentation stating that it has

1 met the requirements of the building code)  
2 from the jurisdiction, and

3 “(B) in the case of a qualified residential  
4 property, the property shall be treated as meet-  
5 ing the requirements specified in paragraph (1)  
6 if the property is a building which was designed  
7 to meet the requirements of the 2009 or later  
8 International Residential Code published by the  
9 International Code Council, and meets one of  
10 the following requirements:

11 “(i) The building received the Insur-  
12 ance Institute for Business and Home  
13 Safety as FORTIFIED for Safer Living  
14 designation.

15 “(ii) The building received the Insur-  
16 ance Institute for Business and Home  
17 Safety as FORTIFIED for Existing  
18 Homes designation, silver level.

19 “(iii) It was designed and built in a  
20 jurisdiction that requires residential build-  
21 ings to meet the requirements of the 2009  
22 or later International Building Code pub-  
23 lished by the International Code Council  
24 with amendments that are equivalent or  
25 more restrictive than the requirements de-

1 scribed in FORTIFIED for Safer Living  
2 Builders Guide published by the Insurance  
3 Institute for Business and Home Safety  
4 and received a certificate of occupancy (or  
5 other documentation stating that it has  
6 met the requirements of the building code)  
7 from the jurisdiction.

8 “(3) ABSORPTIVE CAPACITY.—The term ‘ab-  
9 sorptive capacity’ means the ability of the construc-  
10 tion to endure a disruption without significant devi-  
11 ation from normal operating performance.

12 “(4) ADAPTIVE CAPACITY.—The term ‘adaptive  
13 capacity’ means the ability of the construction to  
14 adapt to a drastic change in normal operating condi-  
15 tions.

16 “(5) RECOVERABILITY.—The term  
17 ‘recoverability’ means the ability of the construction  
18 to recover quickly, and at low cost, from potentially  
19 disruptive events.

20 “(e) OTHER DEFINITIONS.—For purposes of this  
21 section—

22 “(1) CONSTRUCTION.—The term ‘construction’  
23 includes new construction and reconstruction and re-  
24 habilitation that meets resilient construction require-  
25 ments.

1           “(2) FEDERALLY DECLARED MAJOR DIS-  
2     ASTER.—The term ‘federally declared major dis-  
3     aster’ means a disaster subsequently determined by  
4     the President of the United States to be a ‘major  
5     disaster’ that warrants assistance by the Federal  
6     Government under the Robert T. Stafford Disaster  
7     Relief and Emergency Assistance Act.

8           “(3) DISASTER AREA.—The term ‘disaster area’  
9     means the area so determined to warrant such as-  
10    sistance.

11          “(f) APPLICATION WITH OTHER CREDITS.—

12               “(1) BUSINESS CREDIT TREATED AS PART OF  
13     GENERAL BUSINESS CREDIT.—So much of the credit  
14     which would be allowed under subsection (a) for any  
15     taxable year (determined without regard to this sub-  
16     section) that is attributable to property of a char-  
17     acter subject to an allowance for depreciation shall  
18     be treated as a credit listed in section 38(b) for such  
19     taxable year (and not allowed under subsection (a)).

20               “(2) PERSONAL CREDIT.—For purposes of this  
21     title, the credit allowed under subsection (a) for any  
22     taxable year (determined after application of para-  
23     graph (1)) shall be treated as a credit allowable  
24     under subpart A for such taxable year.



1       “(g) BASIS REDUCTION.—For purposes of this sub-  
2 title, the basis of any property for which a credit is allow-  
3 able under subsection (a) shall be reduced by the amount  
4 of such credit so allowed.

5       “(h) TERMINATION.—This section shall not apply to  
6 any property for which a certificate for occupancy is issued  
7 after December 31, 2017.”.

8       (b) CREDIT MADE PART OF GENERAL BUSINESS  
9 CREDIT.—Section 38(b) of such Code, as amended by this  
10 Act, is amended by striking “plus” at the end of para-  
11 graph (35), by striking the period at the end of paragraph  
12 (36) and inserting “, plus”, and by adding at the end the  
13 following new paragraph:

14               “(37) the portion of the disaster resilient prop-  
15 erty credit to which section 30E(f)(1) applies.”.

16       (c) BASIS ADJUSTMENT.—Subsection (a) of section  
17 1016 is amended by striking “and” at the end of para-  
18 graph (30), by striking the period at the end of paragraph  
19 (31) and inserting a comma, by striking “and” at the end  
20 of paragraph (36), by striking the period at the end of  
21 paragraph (37) and inserting “, and”, and by adding at  
22 the end the following new paragraph:

23               “(38) to the extent provided in section 30E(g),  
24 in the case of amounts with respect to which a credit  
25 has been allowed under section 30E.”.

1       (d) CLERICAL AMENDMENT.—The table of sections  
2 for subpart B of part IV of subchapter A of chapter 1  
3 of such Code is amended by inserting after the item relat-  
4 ing to section 30D the following new item:

“Sec. 30E. Disaster resilient property.”.

5       (e) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to property for which a certificate  
7 for occupancy is issued after the date of the enactment  
8 of this Act.