

116TH CONGRESS
1ST SESSION

H. R. 2053

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

IN THE HOUSE OF REPRESENTATIVES

APRIL 3, 2019

Mr. THOMPSON of California (for himself 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 earthquake 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 “Earthquake Mitigation
5 Incentive and Tax Parity Act of 2019”.

1 **SEC. 2. EXCLUSION OF AMOUNTS RECEIVED FROM STATE-**
2 **BASED EARTHQUAKE LOSS MITIGATION PRO-**
3 **GRAMS.**

4 (a) IN GENERAL.—Part III of subchapter B of chap-
5 ter 1 of the Internal Revenue Code of 1986 is amended
6 by inserting after section 139G the following new section:

7 **“SEC. 139H. STATE-BASED EARTHQUAKE LOSS MITIGATION**
8 **PROGRAMS.**

9 “(a) IN GENERAL.—Gross income shall not include
10 any amount received as a qualified earthquake mitigation
11 payment.

12 “(b) QUALIFIED EARTHQUAKE MITIGATION PAY-
13 MENT.—For purposes of this section—

14 “(1) QUALIFIED EARTHQUAKE MITIGATION
15 PAYMENT.—The term ‘qualified earthquake mitiga-
16 tion payment’ means any amount which is received
17 as a loan, loan forgiveness, grant, credit, rebate,
18 voucher, or other financial incentive pursuant to an
19 earthquake loss mitigation program established by a
20 State, or agency, instrumentality, or political sub-
21 division thereof, by a residential property owner or
22 occupant to assist with expenses paid, or obligations
23 incurred, for earthquake loss mitigation.

24 “(2) EARTHQUAKE LOSS MITIGATION PRO-
25 GRAM.—The term ‘earthquake loss mitigation pro-
26 gram’ includes a program established by a State, or

1 agency, instrumentality, or political subdivision
2 thereof, by itself or together with—

3 “(A) an organization described in section
4 501(c) and exempt from tax under section
5 501(a),

6 “(B) an organization determined to be ex-
7 empt from State taxes pursuant to the laws of
8 the relevant State, or

9 “(C) a public instrumentality of a State
10 pursuant to a joint exercise of powers.

11 “(3) EARTHQUAKE LOSS MITIGATION.—The
12 term ‘earthquake loss mitigation’ means an activity
13 that reduces seismic risks to a residential structure
14 or its contents.

15 “(4) SEISMIC.—The term ‘seismic’ has the
16 meaning given such term by section 4(3) of the
17 Earthquake Hazards Reduction Act of 1977 (42
18 U.S.C. 7703(3)).

19 “(5) NO INCREASE IN BASIS.—Notwithstanding
20 any other provision of this subtitle, no increase in
21 the basis or adjusted basis of any property shall re-
22 sult from any amount excluded under this subsection
23 with respect to such property.

24 “(c) DENIAL OF DOUBLE BENEFIT.—Notwith-
25 standing any other provision of this subtitle, no deduction

1 or credit shall be allowed for, or by reason of, any expendi-
2 ture to the extent of the amount excluded under sub-
3 section (a) for any qualified earthquake mitigation pay-
4 ment which was provided with respect to such expendi-
5 ture.”.

6 (b) CLERICAL AMENDMENT.—The table of sections
7 for part III of subchapter B of chapter 1 of such Code
8 is amended by inserting after the item relating to section
9 139G the following new item:

“Sec. 139H. State-based earthquake loss mitigation programs.”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31, 2018.

○