

116TH CONGRESS  
1ST SESSION

# H. R. 5494

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

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 19, 2019

Mr. THOMPSON of California (for himself, Mr. CALVERT, Ms. SEWELL of Alabama, Mr. RICE of South Carolina, Mr. ROUZER, Mr. GARAMENDI, Ms. SPEIER, Mr. GOMEZ, Ms. JUDY CHU of California, Mr. PANETTA, Mr. COOK, Mr. BERA, Ms. SÁNCHEZ, and Mr. AGUILAR) introduced the following bill; which was referred to the Committee on Ways and Means

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## 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 “Catastrophe Loss Miti-  
5 gation Incentive and Tax Parity Act of 2019”.

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 a State, or a political sub-  
14 division or instrumentality thereof, for the purpose  
15 of making such payments.

16 “(2) QUALIFIED CATASTROPHE MITIGATION  
17 PAYMENT.—For purposes of this section, the term  
18 ‘qualified catastrophe mitigation payment’ means  
19 any amount which is received by an individual to  
20 make improvements to such individual’s residence  
21 for the sole purpose of reducing the damage that  
22 would be done to such residence by a windstorm,  
23 earthquake, or wildfire.

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

1 (b) CONFORMING AMENDMENTS.—

2 (1) Section 139(d) is amended by striking “and  
3 qualified” and inserting “, qualified catastrophe  
4 mitigation payments, and qualified”.

5 (2) Section 139(i) (as redesignated by sub-  
6 section (a)) is amended by striking “or qualified”  
7 and inserting “, qualified catastrophe mitigation  
8 payment, or qualified”.

9 (c) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to taxable years beginning after  
11 December 31, 2019.

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