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(Original Signature of Member)

113TH CONGRESS  
2D SESSION

# H. R.

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To delay increases in premium rates for flood insurance coverage under the National Flood Insurance program, establish a refundable tax credit for flood mitigation expenses, and authorize increased funding for flood damage mitigation programs, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

Mr. GARCIA introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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# A BILL

To delay increases in premium rates for flood insurance coverage under the National Flood Insurance program, establish a refundable tax credit for flood mitigation expenses, and authorize increased funding for flood damage mitigation programs, and for other purposes.

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 “Helping Owners Miti-  
5 gate Effectively Act of 2014” or the “HOME Act of  
6 2014”.

1 **SEC. 2. DELAY IN FLOOD INSURANCE RATE CHANGES.**

2 (a) DELAY.—Notwithstanding any other provision of  
3 law, any change in risk premium rates for flood insurance  
4 under the National Flood Insurance Program resulting  
5 from the amendments made by sections 100205 and  
6 100207 of the Biggert-Waters Flood Insurance Reform  
7 Act of 2012 (Public Law 112-141; 126 Stat. 917) to sec-  
8 tions 1307 and 1308 of the National Flood Insurance Act  
9 of 1968 (42 U.S.C. 4014 and 4015) shall not take effect  
10 until the expiration of the 5-year period that begins upon  
11 the date of the enactment of the Biggert-Waters Flood  
12 Insurance Reform Act of 2012.

13 (b) EFFECTIVE DATE.—The amendments made by  
14 subsection (a) shall take effect as if enacted as part of  
15 the Biggert-Waters Flood Insurance Reform Act of 2012  
16 (Public Law 112-141; 126 Stat. 916).

17 **SEC. 3. CAP ON ANNUAL COST OF FLOOD INSURANCE.**

18 Section 1308 of the National Flood Insurance Act of  
19 1968 (42 U.S.C. 4015) is amended—

20 (1) by redesignating subsection (i) as subsection  
21 (j); and

22 (2) by inserting after subsection (h) the fol-  
23 lowing new subsection:

24 “(i) MAXIMUM ANNUAL PREMIUM.—Not with-  
25 standing any other provision of this title, the maximum  
26 annual chargeable premium rate for a property shall be

1 the appraised value of the property at the time of the pur-  
2 chase of the property by the current owner of the property  
3 divided by 30.”.

4 **SEC. 4. CREDIT FOR CERTAIN QUALIFIED FLOOD MITIGA-**  
5 **TION EXPENSES.**

6 (a) IN GENERAL.—Subpart B of part IV of sub-  
7 chapter A of chapter 1 of the Internal Revenue Code of  
8 1986 is amended by adding at the end the following new  
9 section:

10 **“SEC. 30E. QUALIFIED FLOOD MITIGATION EXPENSES.**

11 “(a) IN GENERAL.—In the case of a qualified tax-  
12 payer, there shall be allowed as a credit against the tax  
13 imposed by this chapter for the taxable year an amount  
14 equal to the qualified flood mitigation expenses paid or  
15 incurred by the taxpayer for the taxable year.

16 “(b) LIMITATIONS.—The amount allowed as a credit  
17 under subsection (a) for a taxable year shall not exceed  
18 \$7,500.

19 “(c) QUALIFIED TAXPAYER.—

20 “(1) IN GENERAL.—For purposes of this sec-  
21 tion, the term ‘qualified taxpayer’ means taxpayer  
22 who is the holder of a policy for flood insurance cov-  
23 erage under the national flood insurance program  
24 under the National Flood Insurance Act of 1968 (42  
25 U.S.C. 4011 et seq.).

1           “(2) BUSINESS EMPLOYERS MUST BE SMALL.—

2                   “(A) IN GENERAL.—In the case of a tax-  
3           payer which is a trade or business, for purposes  
4           of this section the term ‘qualified taxpayer’  
5           shall not include any taxpayer which employed  
6           an average of more than 50 employees on busi-  
7           ness days during such taxable year.

8                   “(B) CONTROLLED GROUPS.—For pur-  
9           poses of subparagraph (A), all persons treated  
10          as a single employer under subsection (a) or (b)  
11          of section 52 or subsection (m) or (o) of section  
12          414 shall be treated as a single employer.

13          “(d) QUALIFIED FLOOD MITIGATION EXPENSES.—  
14          The term ‘qualified flood mitigation expenses’ shall have  
15          the meaning given such term by the Administrator of the  
16          Federal Emergency Management Agency.

17          “(e) PARTNERSHIP, S CORPORATIONS, AND OTHER  
18          PASS-THRU ENTITIES.—In the case of a partnership,  
19          trust, S corporation, or other pass-thru entity, the credit  
20          and limitations contained in this section shall be deter-  
21          mined at the entity level.

22          “(f) APPLICATION WITH OTHER CREDITS.—

23                   “(1) BUSINESS CREDIT TREATED AS PART OF  
24          GENERAL BUSINESS CREDIT.—So much of the credit  
25          which would be allowed under subsection (a) for any

1 taxable year (determined without regard to this sub-  
2 section) that is determined with respect to property  
3 of a character subject to an allowance for deprecia-  
4 tion shall be treated as a credit listed in section  
5 38(b) for such taxable year (and not allowed under  
6 subsection (a)).

7 “(2) PERSONAL CREDIT.—For purposes of this  
8 title, the credit allowed under subsection (a) for any  
9 taxable year (determined after application of para-  
10 graph (1)) shall be treated as a credit allowable  
11 under subpart C for such taxable year.

12 “(g) TERMINATION.—Subsection (a) shall not apply  
13 to any amount paid or incurred after December 31,  
14 2022.”.

15 (b) CONFORMING AMENDMENTS.—

16 (1) Section 38(b) of such Code is amended by  
17 striking “plus” at the end of paragraph (35), by  
18 striking the period at the end of section (36) and in-  
19 serting “, plus”, and by inserting after paragraph  
20 (36) the following new paragraph:

21 “(37) the portion of the credit for qualified  
22 flood mitigation expenses to which section 30E(f)(1)  
23 applies.”.

1           (2) Section 1324(b)(2) of title 31, United  
2 States Code, is amended by inserting “30E(f)(2),”  
3 after “25A,”.

4           (3) The table of sections for subpart B of part  
5 IV of subchapter A of chapter 1 of the Internal Rev-  
6 enue Code of 1986 is amended by adding at the end  
7 the following new item:

“Sec. 30E. Qualified flood mitigation expenses.”.

8           (c) **EFFECTIVE DATE.**—The amendments made by  
9 this section shall apply to amounts paid or incurred after  
10 December 31, 2012.

11 **SEC. 5. AFFORDABILITY STUDY.**

12           Section 100236 of the Biggert-Waters Flood Insur-  
13 ance Reform Act of 2012 (Public Law 112–141; 126 Stat.  
14 957) is amended—

15           (1) in subsection (e), by striking “Not” and in-  
16 serting the following: “Subject to subsection (e),  
17 not”;

18           (2) in subsection (d)—

19           (A) by striking “(d) FUND-  
20 ING.\_\_\_\_Notwithstanding” and inserting the  
21 following:

22           “(d) **FUNDING.**—

23           “(1) **NATIONAL FLOOD INSURANCE FUND.**—  
24 Notwithstanding”; and

1 (B) by adding at the end the following new  
2 paragraph:

3 “(2) OTHER FUNDING SOURCES.—To carry out  
4 this section, in addition to the amount made avail-  
5 able under paragraph (1), the Administrator may  
6 use any other amounts that are available to the Ad-  
7 ministrator.”; and

8 (3) by adding at the end the following new sub-  
9 section

10 “(e) ALTERNATIVE.—If the Administrator deter-  
11 mines that the report required under subsection (c) cannot  
12 be submitted by the date specified under subsection (c)—

13 “(1) the Administrator shall notify, not later  
14 than 60 days after the date of enactment of this  
15 subsection, the Committee on Banking, Housing,  
16 and Urban Affairs of the Senate and the Committee  
17 on Financial Services of the House of Representa-  
18 tives of an alternative method of gathering the infor-  
19 mation required under this section;

20 “(2) the Administrator shall submit, not later  
21 than 180 days after the Administrator submits the  
22 notification required under paragraph (1), to the  
23 Committee on Banking, Housing, and Urban Affairs  
24 of the Senate and the Committee on Financial Serv-  
25 ices of the House of Representatives the information

1 gathered using the alternative method described in  
2 paragraph (1); and

3 “(3) upon the submission of information re-  
4 quired under paragraph (2), the requirement under  
5 subsection (c) shall be deemed satisfied.”.

6 **SEC. 6. INCREASED FUNDING FOR MITIGATION PROGRAMS.**

7 (a) PREDISASTER HAZARD MITIGATION.—Section  
8 203(m) of the Robert T. Stafford Disaster Relief and  
9 Emergency Assistance Act (42 U.S.C. 5133(m)) is amend-  
10 ed—

11 (1) by striking “and” at the end of paragraph  
12 (2);

13 (2) by striking the period at the end of para-  
14 graph (3) and inserting “; and”; and

15 (3) by adding at the end the following:

16 “(4) \$300,000,000 for each of fiscal years 2014  
17 through 2018.”.

18 (b) FLOOD HAZARD MITIGATION ASSISTANCE.—  
19 There is authorized to be appropriated for financial assist-  
20 ance under section 1366 of the National Flood Insurance  
21 Act of 1968 (42 U.S.C. 4104e) \$210,000,000 for each of  
22 fiscal years 2014 through 2018. Any amounts appro-  
23 priated pursuant to this subsection shall be in addition  
24 to amounts made available from the National Flood Miti-



1 gation Fund under section 1367 of such Act (42 U.S.C.  
2 4104d) for such assistance during such fiscal years.