

**AMENDMENT OFFERED BY MR. DIAZ-BALART OF
FLORIDA
TO THE AMENDMENT OFFERED BY MR.
FRELINGHUYSEN**

At the end of the amendment, add the following:

**1 TITLE XI—RESILIENT
2 CONSTRUCTION TAX CREDIT**

3 SEC. 1101. RESILIENT CONSTRUCTION TAX CREDIT.

4 (a) IN GENERAL.—Subpart D of part IV of sub-
5 chapter A of chapter 1 of the Internal Revenue Code of
6 1986 is amended by inserting after section 45R the fol-
7 lowing new section:

8 “SEC. 45S. RESILIENT CONSTRUCTION.

9 “(a) GENERAL RULE.—For purposes of section 38,
10 in the case of an eligible contractor, the resilient construc-
11 tion credit for the taxable year is the applicable amount
12 for each building—

13 “(1) constructed by the eligible contractor in a
14 disaster area determined as a result of Hurricane
15 Sandy,

16 “(2) the construction of which began after the
17 date of such disaster in that area,

18 “(3) which—

1 “(A) in the case of qualified commercial
2 property, is placed in service for commercial
3 purposes, and

4 “(B) in the case of qualified residential
5 property, is placed in service for residential pur-
6 poses, and

7 “(4) for which a certificate of occupancy is
8 issued before the end of the 2-year period beginning
9 on the date of such disaster declaration in that area.

10 “(b) APPLICABLE AMOUNT.—For purposes of sub-
11 section (a), the applicable amount is:

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

15 “(A) 1 percent of the cost of construction,
16 or

17 “(B) \$25,000.

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

21 “(A) 1 percent of the cost of construction,
22 or

23 “(B) \$3,000.

24 “(c) QUALIFIED PROPERTY.—For purposes of this
25 section:

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

4 “(A) located in the United States,

5 “(B) defined in the scope of the 2009 or
6 later International Building Code published by
7 the International Code Council, and

8 “(C) designed and constructed to meet re-
9 silient construction requirements.

10 “(2) QUALIFIED RESIDENTIAL PROPERTY.—
11 The term ‘qualified residential property’ means a
12 building that is—

13 “(A) located in the United States,

14 “(B) defined in the scope of the 2009 or
15 later International Residential Code published
16 by the International Code Council, and

17 “(C) designed and constructed to meet re-
18 silient construction requirements.

19 “(d) RESILIENT CONSTRUCTION REQUIREMENTS.—
20 For purposes of this section:

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

1 “(A) resist hazards brought on by a major
2 disaster and continues to provide its primary
3 functions after a major disaster,

4 “(B) reduce the magnitude or duration of
5 a disruptive event, and

6 “(C) have the absorptive capacity, adaptive
7 capacity, recoverability to withstand a poten-
8 tially disruptive event.

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

11 “(A) in the case of a qualified commercial
12 property, the property shall be treated as meet-
13 ing the requirements specified in paragraph (1)
14 if the property is a building which—

15 “(i) was designed to meet the require-
16 ments of the 2009 or later International
17 Building Code published by the Inter-
18 national Code Council and received the In-
19 surance Institute for Business and Home
20 Safety FORTIFIED for Safer Business
21 designation, or

22 “(ii) was designed and built in a juris-
23 diction that requires commercial buildings
24 to meet the requirements of the 2009 or
25 later International Building Code pub-

1 lished by the International Code Council©
2 with amendments that are equivalent or
3 more restrictive than the requirements de-
4 scribed in FORTIFIED for Safer Business
5 Standards published by the Insurance In-
6 stitute for Business and Home Safety and
7 received a certificate of occupancy (or
8 other documentation stating that it has
9 met the requirements of the building code)
10 from the jurisdiction, and

11 “(B) in the case of a qualified residential
12 property, the property shall be treated as meet-
13 ing the requirements specified in paragraph (1)
14 if the property is a building which was designed
15 to meet the requirements of the 2009 or later
16 International Residential Code published by the
17 International Code Council, and meets one of
18 the following requirements:

19 “(i) The building received the Insur-
20 ance Institute for Business and Home
21 Safety as FORTIFIED for Safer Living
22 designation.

23 “(ii) The building received the Insur-
24 ance Institute for Business and Home

1 Safety as FORTIFIED for Existing
2 Homes designation.

3 “(iii) It was designed and built in a
4 jurisdiction that requires residential build-
5 ings to meet the requirements of the 2009
6 or later International Building Code pub-
7 lished by the International Code Council©
8 with amendments that are equivalent or
9 more restrictive than the requirements de-
10 scribed in FORTIFIED for Safer Living
11 Builders Guide published by the Insurance
12 Institute for Business and Home Safety
13 and received a certificate of occupancy (or
14 other documentation stating that it has
15 met the requirements of the building code)
16 from the jurisdiction.

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

21 “(4) ADAPTIVE CAPACITY.—The term ‘adaptive
22 capacity’ means the ability of the construction to
23 adapt to a drastic change in normal operating condi-
24 tions.

1 “(5) RECOVERABILITY.—The term
2 ‘recoverability’ means the ability of the construction
3 to recover quickly, and at low cost, from potentially
4 disruptive events.

5 “(e) OTHER DEFINITIONS.—For purposes of this
6 section:

7 “(1) ELIGIBLE CONTRACTOR.—The term ‘eligi-
8 ble contractor’ means the person who constructed
9 the qualified building.

10 “(2) CONSTRUCTION.—The term ‘construction’
11 includes new construction and reconstruction and re-
12 habilitation that meets resilient construction require-
13 ments.

14 “(3) DISASTER AREA.—The term ‘disaster area’
15 has the meanings given such terms by section
16 165(h)(3).

17 “(f) BASIS REDUCTION.—For purposes of this sub-
18 title, the basis of any property for which a credit is allow-
19 able under subsection (a) shall be reduced by the amount
20 of such credit so allowed.

21 “(g) TERMINATION.—This section shall not apply to
22 any property for which a certificate for occupancy is issued
23 after December 31, 2015.”.

24 (b) CREDIT MADE PART OF GENERAL BUSINESS
25 CREDIT.—Section 38(b) of such Code, as amended by this

1 Act, is amended by striking “plus” at the end of para-
2 graph (35), by striking the period at the end of paragraph
3 (36) and inserting “, plus”, and by adding at the end the
4 following new paragraph:

5 “(37) the resilient construction credit deter-
6 mined under section 45S(a).”.

7 (c) BASIS ADJUSTMENT.—Subsection (a) of section
8 1016 is amended by striking “and” at the end of para-
9 graph (31), by striking the period at the end of paragraph
10 (32) and inserting “, and”, and by adding at the end the
11 following new paragraph:

12 “(38) to the extent provided in section 45S(f),
13 in the case of amounts with respect to which a credit
14 has been allowed under section 45S.”.

15 (d) DEDUCTION FOR CERTAIN UNUSED BUSINESS
16 CREDITS.—Section 196(c) (defining qualified business
17 credits) is amended by striking “and” at the end of para-
18 graph (13), by striking the period at the end of paragraph
19 (14) and inserting “, and”, and by adding after paragraph
20 (14) the following new paragraph:

21 “(15) the resilient construction credit deter-
22 mined under section 45S(a).”.

23 (e) CLERICAL AMENDMENT.—The table of sections
24 for subpart D of part IV of subchapter A of chapter 1

1 of such Code is amended by inserting after section 45R
2 the following new item:

“Sec. 45S. Resilient construction.”.

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

