AMENDMENT OFFERED BY MR. DIAZ-BALART OF FLORIDA

TO THE AMENDMENT OFFERED BY MR. FRELINGHUYSEN

At the end of the amendment, add the following:

TITLE XI—RESILIENT CONSTRUCTION TAX CREDIT

SEC. 1101. RESILIENT CONSTRUCTION TAX CREDIT.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 45R the following new section:

“SEC. 45S. RESILIENT CONSTRUCTION.

“(a) General Rule.—For purposes of section 38, in the case of an eligible contractor, the resilient construction credit for the taxable year is the applicable amount for each building—

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

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

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

“(B) in the case of qualified residential property, is placed in service for residential purposes, and

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

“(b) APPLICABLE AMOUNT.—For purposes of subsection (a), the applicable amount is:

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

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

“(B) $25,000.

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

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

“(B) $3,000.

“(c) QUALIFIED PROPERTY.—For purposes of this section:
“(1) QUALIFIED COMMERCIAL PROPERTY.—The term ‘qualified commercial property’ means a building that is—

“(A) located in the United States,

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

“(C) designed and constructed to meet resilient construction requirements.

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

“(A) located in the United States,

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

“(C) designed and constructed to meet resilient construction requirements.

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

“(1) IN GENERAL.—The resilient construction requirements with respect to a property are that the property is designed and constructed to—
“(A) resist hazards brought on by a major disaster and continues to provide its primary functions after a major disaster,

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

“(C) have the absorptive capacity, adaptive capacity, recoverability to withstand a potentially disruptive event.

“(2) TREATED AS MEETING RESILIENCY REQUIREMENTS.—For purposes of paragraph (1)—

“(A) in the case of a qualified commercial property, the property shall be treated as meeting the requirements specified in paragraph (1) if the property is a building which—

“(i) was designed to meet the requirements of the 2009 or later International Building Code published by the International Code Council and received the Insurance Institute for Business and Home Safety FORTIFIED for Safer Business designation, or

“(ii) was designed and built in a jurisdiction that requires commercial buildings to meet the requirements of the 2009 or later International Building Code pub-
lished by the International Code Council© with amendments that are equivalent or more restrictive than the requirements described in FORTIFIED for Safer Business Standards published by the Insurance Institute for Business and Home Safety and received a certificate of occupancy (or other documentation stating that it has met the requirements of the building code) from the jurisdiction, and

“(B) in the case of a qualified residential property, the property shall be treated as meeting the requirements specified in paragraph (1) if the property is a building which was designed to meet the requirements of the 2009 or later International Residential Code published by the International Code Council, and meets one of the following requirements:

“(i) The building received the Insurance Institute for Business and Home Safety as FORTIFIED for Safer Living designation.

“(ii) The building received the Insurance Institute for Business and Home
Safety as FORTIFIED for Existing Homes designation.

“(iii) It was designed and built in a jurisdiction that requires residential buildings to meet the requirements of the 2009 or later International Building Code published by the International Code Council® with amendments that are equivalent or more restrictive than the requirements described in FORTIFIED for Safer Living Builders Guide published by the Insurance Institute for Business and Home Safety and received a certificate of occupancy (or other documentation stating that it has met the requirements of the building code) from the jurisdiction.

“(3) ABSORPTIVE CAPACITY.—The term ‘absorptive capacity’ means the ability of the construction to endure a disruption without significant deviation from normal operating performance.

“(4) ADAPTIVE CAPACITY.—The term ‘adaptive capacity’ means the ability of the construction to adapt to a drastic change in normal operating conditions.
‘(5) RECOVERABILITY.—The term ‘recoverability’ means the ability of the construction to recover quickly, and at low cost, from potentially disruptive events.

‘(e) OTHER DEFINITIONS.—For purposes of this section:

‘(1) ELIGIBLE CONTRACTOR.—The term ‘eligible contractor’ means the person who constructed the qualified building.

‘(2) CONSTRUCTION.—The term ‘construction’ includes new construction and reconstruction and rehabilitation that meets resilient construction requirements.

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

‘(f) BASIS REDUCTION.—For purposes of this subtitle, the basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit so allowed.

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

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

“(37) the resilient construction credit determined under section 45S(a).”.

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

“(15) the resilient construction credit determined under section 45S(a).”.

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1
of such Code is amended by inserting after section 45R
the following new item:

"Sec. 45S. Resilient construction."

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