HLS 23RS-3154 ORIGINAL

2023 Regular Session

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HOUSE RESOLUTION NO. 202

BY REPRESENTATIVE FIRMENT

INSURANCE/PROPERTY: Memorializes the United States Congress to pass bipartisan legislation allowing for tax exclusion of amounts received from state-based catastrophe loss mitigation programs

A RESOLUTION

2	To memorialize the United States Congress to take such actions as are necessary to pass the
3	Disaster Mitigation and Tax Parity Act of 2021 or similar legislation allowing
4	taxpayers to exclude from taxable income the payments received from state-based
5	catastrophe loss mitigation programs.
6	WHEREAS, the Louisiana Fortify Homes Program, R.S. 22:1483.1, is a pre-disaster
7	mitigation grant program that provides financial grants to residents who upgrade their homes
8	to the fortified roof standard of the Insurance Institute for Business and Home Safety for the
9	purpose of pre-disaster windstorm loss mitigation; and
10	WHEREAS, several other states, including Alabama, California, Colorado, Florida,
11	North Carolina, Oregon, and South Carolina, have enacted their own pre-disaster mitigation
12	grant programs similar to the Louisiana Fortify Homes Program for earthquake, wildfire, or
13	windstorm loss mitigation; and
14	WHEREAS, the Internal Revenue Code presently provides a federal income tax
15	exclusion for state or federally funded post-disaster loss mitigation programs; and
16	WHEREAS, the Internal Revenue Code presently provides an income tax exclusion
17	only for federally-funded pre-disaster loss mitigation programs, but not for state-funded
18	pre-disaster loss mitigation programs, thus creating a disparity in federal tax treatment for
19	pre-disaster loss mitigation programs based solely on the funding source; and

1 WHEREAS, a bipartisan group of senators and representatives introduced the 2 Disaster Mitigation and Tax Parity Act of 2021 in the One Hundred Seventeenth United 3 States Congress, which provides a federal income tax exclusion for "any amount received 4 by an individual to make improvements to such individual's residence for the sole purpose 5 of reducing the damage that would be done to such residence by a windstorm, earthquake, 6 or wildfire"; and 7 WHEREAS, the Disaster Mitigation and Tax Parity Act of 2021 excludes from gross 8 income any amount received by an individual as a qualified catastrophe mitigation payment 9 from a program established by a state, a political subdivision or instrumentality thereof, or 10 an entity established under state charter for the purpose of making such payments; and 11 WHEREAS, the direct effects to the public from such state-based pre-disaster grant 12 programs include material improvements in the homeowners insurance market, premium 13 reductions for grant recipients in particular, reductions in post-disaster recovery costs, 14 creation of jobs for local contractors and small businesses, and a general benefit to public 15 health after a disaster. 16 THEREFORE, BE IT RESOLVED that the House of Representatives of the 17 Legislature of Louisiana does hereby memorialize the United States Congress to take such 18 actions as are necessary to pass the Disaster Mitigation and Tax Parity Act of 2021, or 19 legislation identical or similar to H.R. 4675 and S. 2432 introduced in the One Hundred 20 Seventeenth United States Congress, which allows taxpayers to exclude from taxable income 21 the payments received from state-based catastrophe loss mitigation programs. BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the 22 23 presiding officers of the Senate and the House of Representatives of the Congress of the 24 United States of America and to each member of the Louisiana congressional delegation.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HR 202 Original

2023 Regular Session

Firment

Memorializes congress to pass the Disaster Mitigation and Tax Parity Act of 2021 or similar legislation allowing taxpayers to exclude from taxable income the payments received from state-based catastrophe loss mitigation programs.