

2023 Regular Session

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

1    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.

22           BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the  
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.

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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)]

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HR 202 Engrossed

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Firmen

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.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Make a technical change.