

2023 Regular Session

HOUSE RESOLUTION NO. 202

BY REPRESENTATIVES FIRMENT AND GAROFALO

A RESOLUTION

To memorialize the United States Congress to take such actions as are necessary 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.

WHEREAS, the Louisiana Fortify Homes Program, R.S. 22:1483.1, is a pre-disaster mitigation grant program that provides financial grants to residents who upgrade their homes to the fortified roof standard of the Insurance Institute for Business and Home Safety for the purpose of pre-disaster windstorm loss mitigation; and

WHEREAS, several other states, including Alabama, California, Colorado, Florida, North Carolina, Oregon, and South Carolina, have enacted their own pre-disaster mitigation grant programs similar to the Louisiana Fortify Homes Program for earthquake, wildfire, or windstorm loss mitigation; and

WHEREAS, the Internal Revenue Code presently provides a federal income tax exclusion for state or federally funded post-disaster loss mitigation programs; and

WHEREAS, the Internal Revenue Code presently provides an income tax exclusion only for federally funded pre-disaster loss mitigation programs, but not for state-funded pre-disaster loss mitigation programs, thus creating a disparity in federal tax treatment for pre-disaster loss mitigation programs based solely on the funding source; and

WHEREAS, a bipartisan group of senators and representatives introduced the Disaster Mitigation and Tax Parity Act of 2021 in the One Hundred Seventeenth United States Congress, which provides a federal income tax exclusion for "any amount received by an individual to make improvements to such individual's residence for the sole purpose of reducing the damage that would be done to such residence by a windstorm, earthquake, or wildfire"; and

WHEREAS, the Disaster Mitigation and Tax Parity Act of 2021 excludes from gross income any amount received by an individual as a qualified catastrophe mitigation payment from a program established by a state, a political subdivision or instrumentality thereof, or an entity established under state charter for the purpose of making such payments; and

WHEREAS, the direct effects to the public from such state-based pre-disaster grant programs include material improvements in the homeowners insurance market, premium reductions for grant recipients in particular, reductions in post-disaster recovery costs, creation of jobs for local contractors and small businesses, and a general benefit to public health after a disaster.

THEREFORE, BE IT RESOLVED that the House of Representatives of the Legislature of Louisiana does hereby memorialize the United States Congress to take such actions as are necessary to pass the Disaster Mitigation and Tax Parity Act of 2021, or legislation identical or similar to H.R. 4675 and S. 2432 introduced in the One Hundred Seventeenth United States Congress, which allows taxpayers to exclude from taxable income the payments received from state-based catastrophe loss mitigation programs.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES