

115TH CONGRESS  
1ST SESSION

# S. 1575

To amend the Internal Revenue Code of 1986 to provide a tax credit for taxpayers who remove lead-based hazards.

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IN THE SENATE OF THE UNITED STATES

JULY 18, 2017

Mr. WHITEHOUSE (for himself, Mr. CASEY, and Mrs. SHAHEEN) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to provide a tax credit for taxpayers who remove lead-based hazards.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; FINDINGS; PURPOSE.**

4 (a) **SHORT TITLE.**—This Act may be cited as the  
5 “Home Lead Safety Tax Credit Act of 2017”.

6 (b) **FINDINGS.**—Congress finds that:

7 (1) Lead is a metal that can produce a wide  
8 range of health effects in humans when ingested.  
9 Children are more vulnerable to lead poisoning than  
10 adults.

1           (2) Lead poisoning is a serious, entirely pre-  
2           ventable threat to a child’s intelligence, behavior,  
3           and learning. In severe cases, lead poisoning can re-  
4           sult in death.

5           (3) According to the Department of Housing  
6           and Urban Development, approximately 23,000,000  
7           housing units nationwide have at least 1 lead paint  
8           hazard.

9           (4) While appropriated Federal lead abatement  
10          programs, such as the Lead Hazard Control and  
11          Healthy Homes grant programs, have helped reduce  
12          childhood lead poisoning, funding constraints have  
13          limited their impact to only about 200,000 homes as  
14          of 2016.

15          (5) Childhood lead poisoning can be dramati-  
16          cally reduced by the abatement or complete removal  
17          of all lead-based hazards. Empirical studies also  
18          have shown substantial reductions in lead poisoning  
19          when the affected properties have undergone “in-  
20          terim control measures” that are less costly than  
21          abatement.

22          (c) PURPOSE.—The purpose of this section is to en-  
23          courage the safe removal of lead hazards from homes and  
24          thereby decrease the number of children who suffer re-

1 duced intelligence, learning difficulties, behavioral prob-  
 2 lems, and other health consequences due to lead poisoning.

3 **SEC. 2. HOME LEAD HAZARD REDUCTION ACTIVITY TAX**  
 4 **CREDIT.**

5 (a) IN GENERAL.—Subpart C of part IV of sub-  
 6 chapter A of chapter 1 of the Internal Revenue Code of  
 7 1986 is amended by inserting after section 36B the fol-  
 8 lowing new section:

9 **“SEC. 36C. HOME LEAD HAZARD REDUCTION ACTIVITY.**

10 “(a) ALLOWANCE OF CREDIT.—

11 “(1) IN GENERAL.—Subject to paragraph (2),  
 12 there shall be allowed as a credit against the tax im-  
 13 posed by this subtitle for the taxable year an amount  
 14 equal to 50 percent of the lead hazard reduction ac-  
 15 tivity cost paid or incurred by the taxpayer during  
 16 the taxable year for each eligible dwelling unit.

17 “(2) ELECTION TO APPLY COSTS TO PRIOR  
 18 YEAR.—For purposes of this section, a taxpayer may  
 19 elect to treat any lead hazard reduction activity cost  
 20 paid or incurred by the taxpayer during the taxable  
 21 year as having been paid or incurred during the pre-  
 22 ceding taxable year.

23 “(b) LIMITATIONS.—

24 “(1) IN GENERAL.—Subject to paragraph (3),  
 25 the amount of the credit allowed under subsection

1 (a) for any eligible dwelling unit for any taxable year  
2 shall not exceed—

3 “(A) \$3,000 in the case of lead hazard re-  
4 duction activity cost including lead abatement  
5 measures described in clauses (i), (ii), (iv), and  
6 (v) of subsection (c)(1)(A), or

7 “(B) \$1,000 in the case of lead hazard re-  
8 duction activity cost including interim lead con-  
9 trol measures described in clauses (i), (iii), (iv),  
10 and (v) of subsection (c)(1)(A).

11 “(2) OTHER TAX CREDITS.—In the case of any  
12 credit against State or local tax liabilities which is  
13 allowable under the laws of any State or political  
14 subdivision thereof to a taxpayer with respect to any  
15 costs paid or incurred by the taxpayer which would  
16 otherwise qualify as lead hazard reduction activity  
17 costs under this section (referred to in this para-  
18 graph as the ‘State or local tax credit amount’), the  
19 amount of the credit allowed under subsection (a)  
20 for any eligible dwelling unit for any taxable year  
21 (determined after application of paragraph (1)) shall  
22 not exceed an amount equal to the difference be-  
23 tween—

1           “(A) the lead hazard reduction activity  
2           cost paid or incurred by the taxpayer during  
3           the taxable year for such unit, and

4           “(B) the State or local tax credit amount.

5           “(3) LIMITATION PER RESIDENCE.—The cumu-  
6           lative amount of the credit allowed under subsection  
7           (a) for an eligible dwelling unit for all taxable years  
8           shall not exceed \$4,000.

9           “(c) DEFINITIONS AND SPECIAL RULES.—For pur-  
10          poses of this section:

11           “(1) LEAD HAZARD REDUCTION ACTIVITY  
12          COST.—

13           “(A) IN GENERAL.—The term ‘lead hazard  
14          reduction activity cost’ means, with respect to  
15          any eligible dwelling unit—

16           “(i) the cost for a certified risk asses-  
17          sor to conduct an assessment to determine  
18          the presence of a lead-based hazard (as  
19          such terms are defined by the Secretary, in  
20          consultation with the Administrator of the  
21          Environmental Protection Agency),

22           “(ii) the cost for performing lead  
23          abatement measures by a certified lead  
24          abatement supervisor (as such term is de-  
25          fined by the Secretary, in consultation with

1 the Administrator of the Environmental  
2 Protection Agency), including the removal  
3 of paint, dust, or pipes, the permanent en-  
4 closure or encapsulation of lead-based  
5 paint or pipes, the replacement of painted  
6 surfaces, windows, or fixtures, or the re-  
7 moval or permanent covering of soil when  
8 lead-based hazards are present,

9 “(iii) the cost for performing interim  
10 lead control measures to reduce exposure  
11 or likely exposure to lead-based hazards,  
12 including specialized cleaning, repairs,  
13 maintenance, painting, temporary contain-  
14 ment, ongoing monitoring of lead-based  
15 hazards, and the establishment and oper-  
16 ation of management and resident edu-  
17 cation programs, but only if such measures  
18 are evaluated and completed by a certified  
19 lead abatement supervisor using accepted  
20 methods, are conducted by a qualified con-  
21 tractor, and have an expected useful life of  
22 more than 10 years,

23 “(iv) the cost for a certified lead  
24 abatement supervisor, those working under  
25 the supervision of such supervisor, or a

1 qualified contractor to perform all prepara-  
2 tion, cleanup, disposal, and clearance test-  
3 ing activities associated with the lead  
4 abatement measures or interim lead con-  
5 trol measures, and

6 “(v) costs incurred by or on behalf of  
7 any occupant of such dwelling unit for any  
8 relocation which is necessary to achieve oc-  
9 cupant protection (as such term is defined  
10 by the Secretary, in consultation with the  
11 Administrator of the Environmental Pro-  
12 tection Agency).

13 “(B) LIMITATION.—The term ‘lead hazard  
14 reduction activity cost’ does not include any  
15 cost to the extent such cost is funded by any  
16 grant, contract, or otherwise by another person  
17 or any governmental agency.

18 “(2) ELIGIBLE DWELLING UNIT.—

19 “(A) IN GENERAL.—The term ‘eligible  
20 dwelling unit’ means, with respect to any tax-  
21 able year, any dwelling unit—

22 “(i) placed in service before 1978,

23 “(ii) located in the United States, and

24 “(iii) the residents of which during  
25 the preceding taxable year have a cumu-

1           lative adjusted gross income of less than  
2           \$110,000.

3           “(B) DWELLING UNIT.—The term ‘dwell-  
4           ing unit’ has the meaning given such term by  
5           section 280A(f)(1).

6           “(3) QUALIFIED CONTRACTOR.—The term  
7           ‘qualified contractor’ means any contractor who has  
8           successfully completed a training course on lead safe  
9           work practices which has been approved by the De-  
10          partment of Housing and Urban Development and  
11          the Environmental Protection Agency.

12          “(4) DOCUMENTATION REQUIRED FOR CREDIT  
13          ALLOWANCE.—No credit shall be allowed under sub-  
14          section (a) with respect to any eligible dwelling unit  
15          for any taxable year unless, after lead hazard reduc-  
16          tion activity is complete, a certified inspector (as  
17          such term is defined by the Secretary, in consulta-  
18          tion with the Administrator of the Environmental  
19          Protection Agency) or certified risk assessor pro-  
20          vides written documentation to the taxpayer that in-  
21          cludes—

22                  “(A) evidence that—

23                          “(i) the eligible dwelling unit meets  
24                          the lead hazard reduction criteria defined  
25                          by the Secretary, in consultation with the



1 Administrator of the Environmental Pro-  
2 tection Agency, or

3 “(ii) the eligible dwelling unit meets  
4 lead hazard evaluation criteria established  
5 under an authorized State or local pro-  
6 gram, and

7 “(B) documentation showing that the lead  
8 hazard reduction activity meets the require-  
9 ments of this section.

10 “(5) BASIS REDUCTION.—The basis of any  
11 property for which a credit is allowable under sub-  
12 section (a) shall be reduced by the amount of such  
13 credit.

14 “(6) NO DOUBLE BENEFIT.—Any deduction al-  
15 lowable for costs taken into account in computing  
16 the amount of the credit for lead-based abatement  
17 shall be reduced by the amount of such credit attrib-  
18 utable to such costs.

19 “(d) INFLATION ADJUSTMENT.—In the case of any  
20 taxable year beginning in a calendar year after 2018, each  
21 of the dollar amounts in subsections (b) and (c)(2)(A)(iii)  
22 shall be increased by an amount equal to—

23 “(1) such dollar amount, multiplied by

24 “(2) the cost-of-living adjustment determined  
25 under section 1(f)(3) for the calendar year in which

1 the taxable year begins, determined by substituting  
2 ‘calendar year 2017’ for ‘calendar year 1992’ in sub-  
3 paragraph (B) thereof. Any increase determined  
4 under the preceding sentence shall be rounded to the  
5 nearest multiple of \$100.”.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Section 1324(b)(2) of title 31, United  
8 States Code, is amended by inserting “, 36C” after  
9 “36B”.

10 (2) The table of sections for subpart C of part  
11 IV of subchapter A of chapter 1 of the Internal Rev-  
12 enue Code of 1986 is amended by inserting before  
13 the item relating to section 37 the following new  
14 item:

“Sec. 36C. Home lead hazard reduction activity.”.

15 (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to lead hazard reduction activity  
17 costs incurred after December 31, 2017, in taxable years  
18 ending after that date.

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