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(Original Signature of Member)

119TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to provide a refundable credit  
against tax for disaster mitigation expenditures.

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IN THE HOUSE OF REPRESENTATIVES

Mr. MULLIN introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To amend the Internal Revenue Code of 1986 to provide  
a refundable credit against tax for disaster mitigation  
expenditures.

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.**

4       This Act may be cited as the “The Facilitating In-  
5       creased Resilience, Environmental Weatherization And  
6       Lowered Liability (FIREWALL) Act”.

1 **SEC. 2. REFUNDABLE PERSONAL CREDIT FOR DISASTER**  
2 **MITIGATION EXPENDITURES.**

3 (a) IN GENERAL.—Subpart C of part IV of sub-  
4 chapter A of chapter 1 of the Internal Revenue Code of  
5 1986 (relating to refundable credits) is amended by insert-  
6 ing after section 36B the following new section:

7 **“SEC. 36C. DISASTER MITIGATION EXPENDITURES.**

8 “(a) ALLOWANCE OF CREDIT.—In the case of an in-  
9 dividual, there shall be allowed as a credit against the tax  
10 imposed by this chapter for the taxable year an amount  
11 equal to 50 percent of the qualified disaster mitigation ex-  
12 penditures made by the taxpayer during such taxable year.

13 “(b) MAXIMUM CREDIT.—

14 “(1) IN GENERAL.—Subject to paragraphs (2)  
15 and (3), the credit allowed under subsection (a) to  
16 any taxpayer for any taxable year shall not exceed  
17 the excess of—

18 “(A) \$25,000 (or, in the case of a married  
19 individual filing a separate return, 50 percent  
20 of such amount), over

21 “(B) the amount of credit allowed to the  
22 taxpayer under this section for all preceding  
23 taxable years.

24 “(2) PHASEOUT.—The amount under para-  
25 graph (1) for the taxable year shall be reduced (but

1 not below zero) by an amount which bears the same  
2 ratio to the amount under such paragraph as—

3 “(A) the excess (if any) of—

4 “(i) the taxpayer’s adjusted gross in-  
5 come for such taxable year, over

6 “(ii) \$200,000, bears to

7 “(B) \$100,000.

8 “(3) LIMITATION IN THE CASE OF JOINT OCCU-  
9 PANCY.—In the case of any dwelling unit with re-  
10 spect to which qualified disaster mitigation expendi-  
11 tures are made and which is jointly occupied and  
12 used during any calendar year as a residence by two  
13 or more individuals, the following rules shall apply:

14 “(A) MAXIMUM EXPENDITURES.—The  
15 maximum amount of such expenditures which  
16 may be taken into account under subsection (a)  
17 by all such individuals with respect to such  
18 dwelling unit during such calendar year shall be  
19 \$25,000.

20 “(B) ALLOCATION OF EXPENDITURES.—  
21 The expenditures allocated to any individual for  
22 the taxable year in which such calendar year  
23 ends shall be an amount equal to the lesser  
24 of—

1 “(i) the amount of expenditures made  
2 by such individual with respect to such  
3 dwelling during such calendar year, or

4 “(ii) the maximum amount of such ex-  
5 penditures set forth in subparagraph (A)  
6 multiplied by a fraction—

7 “(I) the numerator of which is  
8 the amount of such expenditures with  
9 respect to such dwelling made by such  
10 individual during such calendar year,  
11 and

12 “(II) the denominator of which is  
13 the total expenditures made by all  
14 such individuals with respect to such  
15 dwelling during such calendar year.

16 “(4) INFLATION ADJUSTMENT.—

17 “(A) IN GENERAL.—In the case of any  
18 taxable year after 2025, the \$25,000 dollar  
19 amounts under paragraphs (1)(A) and (3), the  
20 \$200,000 amount under paragraph (2)(A)(ii),  
21 and the \$100,000 amount under paragraph (2)  
22 (B) shall each be increased by an amount equal  
23 to—

24 “(i) such dollar amount, multiplied by

1 “(ii) the cost-of-living adjustment de-  
2 termined under section 1(f)(3) for the cal-  
3 endar year in which the taxable year be-  
4 gins, determined by substituting ‘calendar  
5 year 2024’ for ‘calendar year 2016’ in sub-  
6 paragraph (A)(ii) thereof.

7 “(B) ROUNDING.—If any reduction deter-  
8 mined under subparagraph (A) is not a multiple  
9 of \$50, or any increase under subparagraph (B)  
10 is not a multiple of \$50, such amount shall be  
11 rounded to the nearest multiple of \$50.

12 “(c) DEFINITIONS.—For purposes of this section—

13 “(1) QUALIFIED DISASTER MITIGATION EX-  
14 PENDITURE.—

15 “(A) IN GENERAL.—The term ‘qualified  
16 disaster mitigation expenditure’ means an ex-  
17 penditure relating to a qualified dwelling unit—

18 “(i) for property to—

19 “(I) improve the strength of a  
20 roof deck attachment,

21 “(II) create a secondary water  
22 barrier to prevent water intrusion or  
23 mitigate against potential water intru-  
24 sion from wind-driven rain,

1 “(III) improve the durability, im-  
2 pact resistance (not less than class 3  
3 or 4 rating), or fire resistance (not  
4 less than class A rating) of a roof cov-  
5 ering,

6 “(IV) brace gable-end walls,

7 “(V) reinforce the connection be-  
8 tween a roof and supporting wall,

9 “(VI) protect openings from pen-  
10 etration by wind-borne debris,

11 “(VII) protect exterior doors and  
12 garages from natural hazards,

13 “(VIII) complete measures con-  
14 tained in the publication of the Fed-  
15 eral Emergency Management Agency  
16 entitled ‘Wind Retrofit Guide for Res-  
17 idential Buildings’ (P-804),

18 “(IX) elevate the qualified dwell-  
19 ing unit, as well as utilities, machin-  
20 ery, or equipment, above the base  
21 flood elevation or other applicable  
22 minimum elevation requirement,

23 “(X) seal walls in the basement  
24 of the qualified dwelling unit using  
25 waterproofing compounds, or

1                   “(XI) protect propane tanks or  
2 other external fuel sources,

3                   “(ii) to install—

4                   “(I) check valves to prevent flood  
5 water from backing up into drains,

6                   “(II) flood vents, breakaway  
7 walls or open lattice for homes located  
8 in V zones,

9                   “(III) a stormwater drainage sys-  
10 tem or improve an existing system,

11                   “(IV) natural or nature-based  
12 features for flood control, including  
13 living shorelines,

14                   “(V) roof coverings, sheathing,  
15 flashing, roof and attic vents, eaves,  
16 or gutters that conform to ignition-re-  
17 sistant construction standards,

18                   “(VI) wall components for wall  
19 assemblies that conform to ignition-re-  
20 sistant construction standards,

21                   “(VII) a wall-to-foundation an-  
22 chor or connector, or a shear transfer  
23 anchor or connector,

1 “(VIII) wood structural panel  
2 sheathing for strengthening cripple  
3 walls,

4 “(IX) anchorage of the masonry  
5 chimney to the framing,

6 “(X) prefabricated lateral resist-  
7 ing systems,

8 “(XI) a standby generator power  
9 system consisting of a battery energy  
10 storage system or standby generator  
11 and an automatic transfer switch,

12 “(XII) a storm shelter that meets  
13 the design and construction standards  
14 established by the International Code  
15 Council and the National Storm Shel-  
16 ter Association (ICC–500), or a safe  
17 room that satisfies the criteria con-  
18 tained in—

19 “(aa) the publication of the  
20 Federal Emergency Management  
21 Agency entitled ‘Safe Rooms for  
22 Tornadoes and Hurricanes’ (P–  
23 361), or

24 “(bb) the publication of the  
25 Federal Emergency Management



1 Agency entitled ‘Taking Shelter  
2 from the Storm’ (P-320),  
3 “(XIII) a lightning protection  
4 system and surge-protective devices,  
5 “(XIV) exterior walls, doors, win-  
6 dows, or other exterior dwelling unit  
7 elements that conform to ignition-re-  
8 sistant construction standards,  
9 “(XV) exterior deck or fence  
10 components that conform to ignition-  
11 resistant construction standards,  
12 “(XVI) structure-specific water  
13 hydration systems, including fire miti-  
14 gation systems such as interior and  
15 exterior sprinkler systems,  
16 “(XVII) water capture and deliv-  
17 ery systems to accommodate drought  
18 events or to decrease water use, in-  
19 cluding the design of such systems,  
20 “(XVIII) flood openings for fully  
21 enclosed areas below the lowest floor  
22 of the dwelling unit,  
23 “(XIX) lateral bracing for wall  
24 elements, foundation elements, and

1 garage doors or other large openings  
2 to resist seismic loads,  
3 “(XX) automatic shutoff valves  
4 for water and gas lines, or  
5 “(XXI) smoke alarms or detec-  
6 tors, carbon monoxide alarms or de-  
7 tectors, and fuel gas alarms or detec-  
8 tors, where applicable,  
9 “(iii) for services or equipment to—  
10 “(I) create buffers around the  
11 qualified dwelling unit through the re-  
12 moval or reduction of flammable vege-  
13 tation, including vertical clearance of  
14 tree branches,  
15 “(II) create buffers around the  
16 dwelling unit through—  
17 “(aa) the removal of exterior  
18 deck or fence components or igni-  
19 tion-prone landscape features, or  
20 “(bb) replacement of the  
21 components or features described  
22 in item (aa) with components or  
23 features that conform to ignition-  
24 resistant construction standards,

1                   “(III) perform fire maintenance  
2                   procedures identified by the Federal  
3                   Emergency Management Agency or  
4                   the United States Forest Service, in-  
5                   cluding fuel management techniques  
6                   such as creating fuel and fire breaks,

7                   “(IV) gather and analyze water  
8                   and weather data to better under-  
9                   stand the local climate and drought  
10                  history,

11                  “(V) remove flammable vegeta-  
12                  tion within 5 feet of a structure,

13                  “(VI) determine the risk of nat-  
14                  ural disasters which may occur in the  
15                  area in which the qualified dwelling  
16                  unit is located, or

17                  “(VII) prevent smoke inhalation,  
18                  such as air filters or other equipment  
19                  designed to prevent smoke from enter-  
20                  ing the dwelling unit,

21                  “(iv) for property relating to satis-  
22                  fying the standards required for receipt of  
23                  a FORTIFIED designation from the In-  
24                  surance Institute for Business and Home  
25                  Safety, provided that the qualified dwelling

1 unit receives such designation following in-  
2 stallation of such property, or

3 “(v) for any other hazard mitigation  
4 activity which has been identified by the  
5 Secretary, in consultation with the Admin-  
6 istrator of the Federal Emergency Man-  
7 agement Agency, for mitigation of a nat-  
8 ural hazard.

9 “(B) EXCEPTION.—The term ‘qualified  
10 disaster mitigation expenditure’ shall not in-  
11 clude any expenditure or portion thereof which  
12 is paid, funded, or reimbursed by insurance or  
13 a Federal, State, or local government entity, or  
14 any political subdivision, agency, or instrumen-  
15 tality thereof.

16 “(2) QUALIFIED DWELLING UNIT.—The term  
17 ‘qualified dwelling unit’ means, with respect to any  
18 taxpayer, a dwelling unit which is—

19 “(A) located in any State or territory—

20 “(i) in which a Federal natural dis-  
21 aster declaration has been made within the  
22 preceding 10-year period with respect to a  
23 wildfire, hurricane, windstorm or flood,

24 “(ii) which includes an area which,  
25 during the taxable year or the period of

1 the 10 taxable years preceding such tax-  
2 able year, has received hazard mitigation  
3 assistance through the Federal Emergency  
4 Management Agency in regard to any wild-  
5 fire, hurricane, windstorm or flood which,  
6 with respect to the expenditure described  
7 in paragraph (1) which is made by the tax-  
8 payer, is applicable to such expenditure, or

9 “(iii) which includes an area which,  
10 with respect to any taxable year, has been  
11 designated as a community disaster resil-  
12 ience zone (as defined in section 206(a) of  
13 the Robert T. Stafford Disaster Relief and  
14 Emergency Assistance Act (42 U.S.C.  
15 5136(a))) as the result of a wildfire, hurri-  
16 cane, windstorm or flood, and

17 “(B) used as the principal residence (with-  
18 in the meaning of section 121) of the taxpayer.

19 “(d) OTHER RULES.—

20 “(1) DOCUMENTATION.—Any taxpayer claiming  
21 the credit under this section shall provide the Sec-  
22 retary with adequate documentation regarding the  
23 specific qualified disaster mitigation expenditures  
24 made by the taxpayer during the taxable year, as

1 well as such other information or documentation as  
2 the Secretary may require.

3 “(2) DENIAL OF DOUBLE BENEFIT.—No deduc-  
4 tion or other credit shall be allowed for expenditures  
5 which have been taken into account under this sec-  
6 tion, and the basis of any property for which a cred-  
7 it is allowed under this section shall be reduced by  
8 the amount of credit allowed.”.

9 (b) CONFORMING AMENDMENTS.—

10 (1) Section 6211(b)(4)(A) of the Internal Rev-  
11 enue Code of 1986 is amended by inserting “, 36C”  
12 after “36B”.

13 (2) Section 1324(b)(2) of title 31, United  
14 States Code, is amended by inserting “, 36C” after  
15 “36B”.

16 (3) The table of sections for subpart C of part  
17 IV of subchapter A of chapter 1 of such Code is  
18 amended by inserting after the item relating to sec-  
19 tion 36B the following new item:

“Sec. 36C. Disaster mitigation expenditures.”.

20 (c) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to taxable years beginning after  
22 December 31, 2024.