

109TH CONGRESS
1ST SESSION

H. R. 1516

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for expenditures incurred by the taxpayer to restore or protect wetlands from coastal erosion.

IN THE HOUSE OF REPRESENTATIVES

APRIL 6, 2005

Mr. JINDAL introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for expenditures incurred by the taxpayer to restore or protect wetlands from coastal erosion.

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 “Coastal Preservation
5 Act of 2005”.

1 **SEC. 2. INCOME TAX CREDIT TO RESTORE OR PROTECT**
2 **WETLANDS FROM COASTAL EROSION.**

3 (a) IN GENERAL.—Subpart B of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue Code of
5 1986 (relating to other credits) is amended by inserting
6 after section 30A the following new section:

7 **“SEC. 30B. RESTORATION AND PROTECTION OF WETLANDS**
8 **FROM COASTAL EROSION.**

9 “(a) ALLOWANCE OF CREDIT.—There shall be al-
10 lowed as a credit against the tax imposed by this chapter
11 for the taxable year an amount equal to the qualified
12 coastal erosion abatement expenditures made by the tax-
13 payer to carry out an eligible erosion abatement project
14 on property owned by the taxpayer.

15 “(b) YEAR CREDIT ALLOWED.—The credit allowable
16 by this section with respect to any eligible erosion abate-
17 ment project shall be allowed for the taxable year during
18 which the Corps of Engineers certifies that such project
19 was properly completed.

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

21 “(1) ELIGIBLE EROSION ABATEMENT
22 PROJECT.—The term ‘eligible erosion abatement
23 project’ means any project approved by the Corps of
24 Engineers to control or abate the erosion of any
25 shoreline in the United States experiencing a histor-
26 ical erosion rate of greater than 2 feet per year

1 based on data published by the Bureau of Economic
2 Geology of the University of Texas.

3 “(2) QUALIFIED COASTAL EROSION ABATE-
4 MENT EXPENDITURE.—The term ‘qualified coastal
5 erosion abatement expenditure’ means any amount
6 paid or incurred by the taxpayer which is directly
7 connected with the development and execution of a
8 plan to control or abate erosion in an area which is
9 part of an eligible erosion abatement project.

10 “(d) LIMITATION BASED ON AMOUNT OF TAX.—The
11 credit allowed under subsection (a) for the taxable year
12 shall not exceed the excess of—

13 “(1) the sum of the regular tax liability (as de-
14 fined in section 26(b)) plus the tax imposed by sec-
15 tion 55, over

16 “(2) the sum of the credits allowable under sub-
17 part A and sections 27, 29, and 30A for the taxable
18 year.”.

19 (b) CLERICAL AMENDMENT.—The table of sections
20 for such subpart B is amended by adding at the end the
21 following new item:

“Sec. 30B. Restoration and protection of wetlands from coastal erosion.”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to projects approved after the date
24 of the enactment of this Act.

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