

1 SB395
2 132018-3
3 By Senators Brooks and Pittman
4 RFD: Rules
5 First Read: 14-APR-11

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

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11 Relating to homeowners who retrofit or upgrade their
12 new or existing homes to help resist damages associated with a
13 hurricane, tornado, other catastrophic windstorm event, or
14 rising floodwaters; to provide an income tax deduction not to
15 exceed the lesser of 50 percent of the costs of such
16 retrofitting and upgrades or \$3,000.

17 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

18 Section 1. (a) An individual taxpayer, whose legal
19 residence is located in an Alabama Insurance Underwriting
20 Association zone pursuant to Section 27-1-17, Code of Alabama,
21 1975, shall be allowed a deduction from taxable income,
22 regardless of whether the taxpayer itemizes his or her income
23 tax deductions, in calculating the income tax imposed pursuant
24 to Section 40-18-5, Code of Alabama 1975, for certain retrofit
25 costs as described in this section. The deduction shall be
26 allowed for the costs incurred to retrofit, as specified in
27 Section 27-31D-2, Code of Alabama 1975, a structure qualifying

1 as the legal residence of a taxpayer to make the residence
2 more resistant to loss due to a hurricane, tornado, or other
3 catastrophic windstorm event.

4 (b) In order to qualify for the state income tax
5 deduction allowed pursuant to this section, the costs may not
6 include ordinary repair or replacement of existing items, and
7 shall be associated with those fortification measures defined
8 in Section 40-18-5, Code of Alabama 1975, designed to increase
9 the resistance of the residence to hurricane, tornado, or
10 catastrophic windstorm event damage. A taxpayer claiming the
11 deduction shall receive certification, as prescribed by the
12 Chapter 31D, Title 27, Code of Alabama 1975, that the
13 fortification measures were implemented and costs were
14 incurred, and shall provide the certification upon request of
15 the Department of Revenue to prove the taxpayer is entitled to
16 the deduction.

17 (c) The aggregate tax deduction allowed pursuant to
18 this section for all taxable years beginning with the 2011 tax
19 year shall not exceed the lesser of the following:

20 (1) Fifty percent of the retrofitting cost incurred.

21 (2) Three thousand dollars (\$3,000).

22 (d) The cost of items that otherwise qualify for the
23 deduction that are purchased with any available grant funds
24 are not eligible for this deduction if the grants are not
25 included in the income of the taxpayer.

26 (e) Costs incurred by the taxpayer and used as the
27 basis for a deduction under Section 2 may not be used as the

1 basis for a deduction under this section. The deductions under
2 Section 2 and this section combined may not exceed three
3 thousand dollars (\$3,000).

4 Section 2. (a) Any individual taxpayer, whose legal
5 residence is located in Alabama, shall be allowed a deduction
6 from taxable income, regardless of whether the taxpayer
7 itemizes his or her income tax deductions, in calculating the
8 income tax imposed pursuant to Section 40-18-5, Code of
9 Alabama 1975, for certain retrofit costs as described in this
10 section. The deduction shall be allowed for the costs incurred
11 to retrofit a structure qualifying as the legal residence of
12 the taxpayer to make the structure more resistant to loss due
13 to hurricane, tornado, other catastrophic windstorm event, or
14 rising floodwaters.

15 (b) In order to qualify for the state income tax
16 deduction allowed pursuant to this section, costs may include
17 ordinary repair, replacement, and upgrades to existing
18 residential property and new construction so long as the
19 repair, replacement, and upgrades are designed to resist loss
20 associated with any windstorm event or rising floodwater, and
21 meet or exceed the standards set forth in the most recent
22 editions of the Institute for Business and Home Safety
23 published Fortified for Safer Living, the Institute for
24 Business and Home Safety published Fortified for Existing
25 Homes, the International Code Council published ICC 600, the
26 International Code Council ICC 500, or any specifically
27 designated wind resistant feature, technology, or code

1 approved by the Alabama Residential and Energy Codes Board. A
2 taxpayer claiming the deduction shall receive certification in
3 a manner prescribed by the Alabama Residential and Energy
4 Codes Board that the fortification measures were implemented
5 and costs were incurred, and shall provide the certification
6 upon request of the Department of Revenue to prove the
7 taxpayer is entitled to the deduction.

8 (c) The aggregate tax deduction allowed pursuant to
9 this section for all taxable years beginning with the 2011 tax
10 year shall not exceed the lesser of the following:

11 (1) Fifty percent of the repair, replacement, and
12 upgrade cost incurred.

13 (2) Three thousand dollars (\$3,000).

14 (d) The cost of items that otherwise qualify for the
15 deduction that are purchased with any available grant funds
16 are not eligible for this deduction if the grants are not
17 included in the income of the taxpayer.

18 (e) Costs incurred by the taxpayer and used as the
19 basis for a deduction under Section 1 may not be used as the
20 basis for a deduction under this section. The deductions under
21 Section 1 and this section combined may not exceed three
22 thousand dollars (\$3,000).

23 Section 3. This act shall become effective
24 immediately following its passage and approval by the
25 Governor, or its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate committee on Rules.....	14-APR-11
Read for the second time and placed on the calen- dar.....	26-APR-11
Read for the third time and passed as amended	25-MAY-11

Yeas 32
Nays 0

Patrick Harris
Secretary