

1 SB469
2 130984-1
3 By Senator Allen
4 RFD: Finance and Taxation Education
5 First Read: 03-MAY-11

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8 SYNOPSIS: Currently, homeowners are provided insurance
9 premium reductions for retrofitting their homes to
10 strengthen the structures in order to help resist
11 hurricane, tornado, and other windstorm damages.

12 This bill would provide a state income tax
13 credit to certain homeowners who retrofit their
14 homes to help resist such wind and storm damages.

15
16 A BILL
17 TO BE ENTITLED
18 AN ACT

19
20 Relating to certain homeowners who retrofit their
21 homes to help resist hurricane, tornado, and windstorm
22 damages; to provide an income tax credit for certain taxpayers
23 who make such retrofits to their properties.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. (a) An individual taxpayer is allowed a
26 credit against personal income tax for costs incurred to
27 retrofit, as specified in Section 27-31D-2, Code of Alabama

1 1975, a structure qualifying as the taxpayer's legal residence
2 to make it more resistant to loss due to hurricane, rising
3 floodwater, or other catastrophic windstorm event.

4 (b) In order to qualify for the state income tax
5 credit allowed pursuant to this section, costs must not
6 include ordinary repair or replacement of existing items, and
7 must be associated with those fortification measures defined
8 in Section 27-31D-2, designed to increase the residence's
9 resistance to hurricane, rising floodwater, or catastrophic
10 windstorm event damage.

11 (c) The tax credit allowed pursuant to this section
12 for any taxable year beginning with the 2009 tax year shall
13 not exceed the lesser of the following:

14 (1) Twenty-five percent of the retrofitting cost
15 incurred.

16 (2) One thousand five hundred dollars (\$1,500).

17 (d) The cost of items that otherwise qualify for the
18 credit that are purchased with any available grant funds are
19 not eligible for this credit if the grants are not included in
20 the income of the taxpayer.

21 Section 2. (a) Any individual taxpayer, located in
22 any county not bordering the Gulf of Mexico and Mobile Bay, is
23 allowed a credit against personal income tax for the costs
24 incurred to retrofit a structure qualifying as the taxpayer's
25 legal residence to make it more resistant to loss due to
26 hurricane, tornado, rising floodwater, or other catastrophic
27 windstorm event.

1 (b) In order to qualify for the state income tax
2 credit allowed pursuant to subsection (a), costs may include
3 ordinary repair, replacement, and upgrades to existing
4 residential property and new construction so long as the
5 repair, replacement, and upgrades are designed to resist loss
6 associated with any windstorm event as defined in subsection
7 (a) and meet or exceed the standards set forth in the most
8 recent editions of the Institute for Business and Home Safety
9 published Fortified for Safer Living, the Institute for
10 Business and Home Safety published Fortified for Existing
11 Homes, the International Code Council published ICC 600 or any
12 specifically designated wind resistant feature, technology, or
13 code approved by the Alabama Residential and Energy Codes
14 Board.

15 (c) The tax credit allowed pursuant to this section
16 for taxable years beginning with the 2009 tax year shall not
17 exceed the lesser of either of the following:

18 (1) Twenty-five percent of the repair, replacement,
19 and upgrade cost incurred.

20 (2) One thousand five hundred dollars (\$1,500).

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

25 Section 3. (a) Any individual taxpayer, located in
26 any state or federally designated disaster area caused by a
27 hurricane, tornado, or any other windstorm related event, is

1 allowed a credit against personal income tax for the costs
2 incurred to retrofit a structure qualifying as the taxpayer's
3 legal residence to make it more resistant to loss due to
4 hurricane, tornado, rising floodwater, or other catastrophic
5 windstorm event. Such credit shall be available to taxpayers
6 in those areas for a period beginning on the date the disaster
7 area is designated and not to exceed three years after the
8 formal lifting of the disaster area designation.

9 (b) In order to qualify for the state income tax
10 credit allowed pursuant to this subsection, costs may include
11 ordinary repair, replacement, and upgrades to existing
12 residential property and new construction so long as the
13 repair, replacement, and upgrades are designed to resist loss
14 associated with any windstorm event as defined in subsection
15 (a) and meet or exceed the standards set forth in the most
16 recent editions of the Institute for Business and Home Safety
17 published Fortified for Safer Living, the Institute for
18 Business and Home Safety published Fortified for Existing
19 Homes, the International Code Council published ICC 600 or any
20 specifically designated wind resistant feature, technology, or
21 code approved by the Alabama Residential and Energy Codes
22 Board.

23 (c) The tax credit allowed pursuant to this section
24 for taxable years beginning with the 2009 tax year shall not
25 exceed the lesser of either of the following:

26 (1) Fifty percent of the repair, replacement, and
27 upgrade cost incurred.

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

2 (d) The cost of items that otherwise qualify for the
3 credit that are purchased with any available grant funds are
4 not eligible for this credit if the grants are not included in
5 the income of the taxpayer.

6 Section 4. This act shall become effective
7 immediately following its passage and approval by the
8 Governor, or its otherwise becoming law.