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(Original Signature of Member)

118TH CONGRESS
2D SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to provide an above-the-line deduction for flood insurance premiums.

IN THE HOUSE OF REPRESENTATIVES

Mr. GOTTHEIMER introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to provide an above-the-line deduction for flood insurance premiums.

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. DEDUCTION FOR FLOOD INSURANCE PRE-**
4 **MIUMS.**

5 (a) ALLOWANCE OF DEDUCTION.—

6 (1) IN GENERAL.—Part VII of subchapter B of
7 chapter 1 of the Internal Revenue Code of 1986 is
8 amended by redesignating section 224 as section

1 225 and inserting after section 223 the following
2 new section:

3 **“SEC. 224. FLOOD INSURANCE PREMIUMS.**

4 “(a) DEDUCTION ALLOWED.—In the case of an indi-
5 vidual, there shall be allowed as a deduction qualified flood
6 insurance premiums paid or incurred during the taxable
7 year with respect to property owned by the taxpayer which
8 is the principal residence (as such term is used in section
9 121) of the taxpayer during such taxable year.

10 “(b) PHASEOUT.—

11 “(1) IN GENERAL.—The amount of the credit
12 allowable under subsection (a) shall be reduced (but
13 not below zero) by \$50 for each \$1,000 (or fraction
14 thereof) by which the taxpayer’s modified adjusted
15 gross income exceeds the threshold amount. For
16 purposes of the preceding sentence, the term ‘modi-
17 fied adjusted gross income’ means adjusted gross in-
18 come increased by any amount excluded from gross
19 income under section 911, 931, or 933.

20 “(2) THRESHOLD AMOUNT.—For purposes of
21 paragraph (1), the term ‘threshold amount’ means—

22 “(A) \$400,000 in the case of a joint re-
23 turn, and

24 “(B) \$200,000 in the case of any other in-
25 dividual.

1 “(c) QUALIFIED FLOOD INSURANCE PREMIUMS.—

2 For purposes of this section, the term ‘qualified flood in-
3 surance premiums’ means—

4 “(1) any chargeable risk premium for flood in-
5 surance coverage under the program established
6 under the National Flood Insurance Act of 1968 (42
7 U.S.C. 4001 et seq.) or for coverage under private
8 flood insurance, as defined in section 102(b) of the
9 Flood Disaster Protection Act of 1973 (42 U.S.C.
10 4012a(b)),

11 “(2) any Federal Policy Fee, as defined in Ap-
12 pendix A(1) to part 61 of title 44, Code of Federal
13 Regulations, or any successor regulation,

14 “(3) any surcharge described in the matter
15 after and below paragraph (4)(D) of section 1304(b)
16 of the National Flood Insurance Act of 1968 (42
17 U.S.C. 4011(b)), and

18 “(4) any premium surcharge under section
19 1308A of the National Flood Insurance Act of 1968
20 (42 U.S.C. 4015a).”.

21 (2) CLERICAL AMENDMENT.—The table of sec-
22 tions for part VII of subchapter B of chapter 1 of
23 such Code is amended by redesignating the item re-
24 lating to section 224 as relating to section 225 and

1 by inserting after the item relating to section 223
2 the following new item:

“Sec. 224. Flood insurance premiums.”.

3 (b) DEDUCTION ALLOWED IN DETERMINING AD-
4 JUSTED GROSS INCOME.—Section 62(a) of the Internal
5 Revenue Code of 1986 is amended by inserting after para-
6 graph (21) the following new paragraph:

7 “(22) FLOOD INSURANCE PREMIUMS.—The de-
8 duction allowed by section 224.”.

9 (c) CONFORMING AMENDMENTS.—

10 (1) Section 74(d)(2)(B) of the Internal Revenue
11 Code of 1986 is amended by inserting “224” after
12 “221”.

13 (2) Section 86(b)(2)(A) of such Code is amend-
14 ed by inserting “224,” after “221,”.

15 (3) Section 135(c)(4)(A) of such Code is
16 amended by inserting “224,” after “221,”.

17 (4) Section 137(b)(3)(A) of such Code is
18 amended by inserting “224” after “221,”.

19 (5) Section 219(g)(3)(A)(ii) of such Code is
20 amended by inserting “224,” after “221,”.

21 (6) Section 221(b)(2)(C)(i) of such Code is
22 amended by inserting “224,” after “219,”.

23 (7) Section 469(i)(3)(E)(ii) of such Code is
24 amended by inserting “224,” after “221,”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 the date of the enactment of this Act.