

117TH CONGRESS
1ST SESSION

H. R. 2875

To amend the Internal Revenue Code of 1986 to provide a tax credit for taxpayers who remove lead-based hazards.

IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 2021

Mr. COHEN (for himself and Mr. MCKINLEY) 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 provide
a tax credit for taxpayers who remove lead-based hazards.

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; FINDINGS; PURPOSE.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Home Lead Safety Tax Credit Act of 2021”.

6 (b) **FINDINGS.**—Congress finds that:

7 (1) Lead is a metal that can produce a wide
8 range of health effects in humans when ingested.
9 Children are more vulnerable to lead poisoning than
10 adults.

1 (2) Lead poisoning is a serious, entirely pre-
2 ventable threat to a child’s intelligence, behavior,
3 and learning. In severe cases, lead poisoning can re-
4 sult in death.

5 (3) According to the Department of Housing
6 and Urban Development, approximately 22,000,000
7 housing units nationwide have at least 1 lead paint
8 hazard.

9 (4) While appropriated Federal lead abatement
10 programs, such as the Lead Hazard Control and
11 Healthy Homes grant programs, have helped reduce
12 childhood lead poisoning, funding constraints have
13 limited their impact to only about 400,000 homes
14 since 1993.

15 (5) Childhood lead poisoning can be dramati-
16 cally reduced by the abatement or complete removal
17 of all lead-based hazards. Empirical studies also
18 have shown substantial reductions in lead poisoning
19 when the affected properties have undergone “in-
20 terim control measures” that are less costly than
21 abatement.

22 (c) PURPOSE.—The purpose of this section is to en-
23 courage the safe removal of lead hazards from homes and
24 thereby decrease the number of children who suffer re-

duced intelligence, learning difficulties, behavioral problems, and other health consequences due to lead poisoning.

SEC. 2. HOME LEAD HAZARD REDUCTION ACTIVITY TAX CREDIT.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 36B the following new section:

“SEC. 36C. HOME LEAD HAZARD REDUCTION ACTIVITY.

“(a) ALLOWANCE OF CREDIT.—

“(1) IN GENERAL.—Subject to paragraph (2), there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to 50 percent of the lead hazard reduction activity cost paid or incurred by the taxpayer during the taxable year for each eligible dwelling unit.

“(2) ELECTION TO APPLY COSTS TO PRIOR YEAR.—For purposes of this section, a taxpayer may elect to treat any lead hazard reduction activity cost paid or incurred by the taxpayer during the taxable year as having been paid or incurred during the preceding taxable year.

“(b) LIMITATIONS.—

“(1) IN GENERAL.—Subject to paragraph (3), the amount of the credit allowed under subsection

1 (a) for any eligible dwelling unit for any taxable year
2 shall not exceed—

3 “(A) \$3,000 in the case of lead hazard re-
4 duction activity cost including lead abatement
5 measures described in clauses (i), (ii), (iv), or
6 (v) of subsection (c)(1)(A), and

7 “(B) \$1,000 in the case of lead hazard re-
8 duction activity cost including interim lead con-
9 trol measures described in clauses (i), (iii), (iv),
10 and (v) of subsection (c)(1)(A).

11 “(2) OTHER TAX CREDITS.—In the case of any
12 credit against State or local tax liabilities which is
13 allowable under the laws of any State or political
14 subdivision thereof to a taxpayer with respect to any
15 costs paid or incurred by the taxpayer which would
16 otherwise qualify as lead hazard reduction activity
17 costs under this section, the amount of the credit al-
18 lowed under subsection (a) for any eligible dwelling
19 unit for any taxable year (determined after applica-
20 tion of paragraph (1)) shall not exceed an amount
21 equal to the excess, if any, of—

22 “(A) the lead hazard reduction activity
23 cost paid or incurred by the taxpayer during
24 the taxable year for such unit, over

1 “(B) the amount of such State or local tax
2 credit.

3 “(3) LIMITATION PER RESIDENCE.—The cumu-
4 lative amount of the credit allowed under subsection
5 (a) for an eligible dwelling unit for all taxable years
6 shall not exceed \$4,000.

7 “(c) DEFINITIONS AND SPECIAL RULES.—For pur-
8 poses of this section—

9 “(1) LEAD HAZARD REDUCTION ACTIVITY
10 COST.—

11 “(A) IN GENERAL.—The term ‘lead hazard
12 reduction activity cost’ means, with respect to
13 any eligible dwelling unit—

14 “(i) the cost for a certified risk asses-
15 sor to conduct an assessment to determine
16 the presence of a lead-based hazard (as
17 such terms are defined by the Secretary, in
18 consultation with the Administrator of the
19 Environmental Protection Agency),

20 “(ii) the cost for performing lead
21 abatement measures by a certified lead
22 abatement supervisor (as such term is de-
23 fined by the Secretary, in consultation with
24 the Administrator of the Environmental
25 Protection Agency), including the removal

1 of paint, dust, or pipes, the permanent en-
2 closure or encapsulation of lead-based
3 paint or pipes, the replacement of painted
4 surfaces, windows, or fixtures, or the re-
5 moval or permanent covering of soil when
6 lead-based hazards are present,

7 “(iii) the cost for performing interim
8 lead control measures to reduce exposure
9 or likely exposure to lead-based hazards,
10 including specialized cleaning, repairs,
11 maintenance, painting, temporary contain-
12 ment, ongoing monitoring of lead-based
13 hazards, and the establishment and oper-
14 ation of management and resident edu-
15 cation programs, but only if such measures
16 are evaluated and completed by a certified
17 lead abatement supervisor using accepted
18 methods, are conducted by a qualified con-
19 tractor, and have an expected useful life of
20 more than 10 years,

21 “(iv) the cost for a certified lead
22 abatement supervisor, persons working
23 under the supervision of such supervisor,
24 or a qualified contractor to perform all
25 preparation, cleanup, disposal, and clear-

1 ance testing activities associated with the
2 lead abatement measures or interim lead
3 control measures, and

4 “(v) costs incurred by or on behalf of
5 any occupant of such dwelling unit for any
6 relocation which is necessary to achieve oc-
7 cupant protection (as such term is defined
8 by the Secretary, in consultation with the
9 Administrator of the Environmental Pro-
10 tection Agency).

11 “(B) LIMITATION.—The term ‘lead hazard
12 reduction activity cost’ does not include any
13 cost to the extent such cost is funded by any
14 grant, contract, or otherwise by another person
15 or any governmental agency.

16 “(2) ELIGIBLE DWELLING UNIT.—

17 “(A) IN GENERAL.—The term ‘eligible
18 dwelling unit’ means any dwelling unit—

19 “(i) which was placed in service before
20 1978, and

21 “(ii) which is located in the United
22 States,

23 without regard to whether such dwelling unit is
24 subsidized or assisted under any Federal pro-
25 gram.

1 “(B) DWELLING UNIT.—The term ‘dwell-
2 ing unit’ has the meaning given such term by
3 section 280A(f)(1).

4 “(3) QUALIFIED CONTRACTOR.—The term
5 ‘qualified contractor’ means any contractor who has
6 successfully completed a training course on lead safe
7 work practices which has been approved by the De-
8 partment of Housing and Urban Development and
9 the Environmental Protection Agency.

10 “(4) DOCUMENTATION REQUIRED FOR CREDIT
11 ALLOWANCE.—No credit shall be allowed under sub-
12 section (a) with respect to any eligible dwelling unit
13 for any taxable year unless, after lead hazard reduc-
14 tion activity is complete, a certified inspector (as
15 such term is defined by the Secretary, in consulta-
16 tion with the Administrator of the Environmental
17 Protection Agency) or certified risk assessor pro-
18 vides written documentation to the taxpayer that in-
19 cludes—

20 “(A) evidence that—

21 “(i) the eligible dwelling unit meets
22 the lead hazard reduction criteria defined
23 by the Secretary, in consultation with the
24 Administrator of the Environmental Pro-
25 tection Agency, or

1 “(ii) the eligible dwelling unit meets
2 lead hazard evaluation criteria established
3 under an authorized State or local pro-
4 gram, and

5 “(B) documentation showing that the lead
6 hazard reduction activity meets the require-
7 ments of this section.

8 “(5) BASIS REDUCTION.—The basis of any
9 property for which a credit is allowable under sub-
10 section (a) shall be reduced by the amount of such
11 credit.

12 “(6) NO DOUBLE BENEFIT.—Any deduction al-
13 lowable for costs taken into account in computing
14 the amount of the credit for lead hazard reduction
15 activity shall be reduced by the amount of such cred-
16 it attributable to such costs.

17 “(d) INFLATION ADJUSTMENT.—In the case of any
18 taxable year beginning in a calendar year after 2021, each
19 of the dollar amounts in subsection (b) shall be increased
20 by an amount equal to—

21 “(1) such dollar amount, multiplied by

22 “(2) the cost-of-living adjustment determined
23 under section 1(f)(3) for the calendar year in which
24 the taxable year begins, determined by substituting

1 ‘calendar year 2020’ for ‘calendar year 2016’ in sub-
2 paragraph (A)(ii) thereof.

3 Any increase determined under the preceding sentence
4 shall be rounded to the nearest multiple of \$100.

5 “(e) TERMINATION.—This section shall not apply to
6 any amount paid or incurred after December 31, 2024.”.

7 (b) CONFORMING AMENDMENTS.—

8 (1) Section 1324(b)(2) of title 31, United
9 States Code, is amended by inserting “, 36C” after
10 “36B”.

11 (2) The table of sections for subpart C of part
12 IV of subchapter A of chapter 1 of the Internal Rev-
13 enue Code of 1986 is amended by inserting before
14 the item relating to section 37 the following new
15 item:

“Sec. 36C. Home lead hazard reduction activity.”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to lead hazard reduction activity
18 costs incurred after December 31, 2020, in taxable years
19 ending after such date.

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