

103^D CONGRESS
2^D SESSION

H. R. 3756

To encourage private insurance against earthquakes by making earthquake insurance premiums tax deductible.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 1994

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

A BILL

To encourage private insurance against earthquakes by making earthquake insurance premiums tax deductible.

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 “Earthquake Insurance
5 Incentive Act”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds that:

8 (1) The catastrophic and unpredictable nature
9 of earthquakes, coupled with the current lack of suf-
10 ficient private insurance, have resulted in taxpayers

1 bearing excessive and avoidable costs of disaster re-
2 lief provided by the Federal Government.

3 (2) The existing utilization of private insurance
4 is inadequate.

5 (3) A reasonable method of encouraging indi-
6 viduals and organizations to insure against earth-
7 quake losses is to make earthquake insurance pre-
8 miums tax deductible. This will help make private
9 earthquake insurance more widely available and af-
10 fordable to the general public. It will also reduce the
11 cost to taxpayers from the present level of unlimited
12 exposure for largely uninsured losses.

13 **SEC. 3. DEDUCTION FOR EARTHQUAKE INSURANCE.**

14 (a) IN GENERAL.—Part VII of subchapter B of chap-
15 ter 1 of the Internal Revenue Code of 1986 (relating to
16 additional itemized deductions for individuals) is amended
17 by redesignating section 220 as section 221 and by insert-
18 ing after section 219 the following new section:

19 **“SEC. 220. EARTHQUAKE INSURANCE.**

20 “(a) ALLOWANCE OF DEDUCTION.—In the case of an
21 individual, there shall be allowed as a deduction amounts
22 paid or incurred during the taxable year for earthquake
23 insurance coverage for property of the taxpayer which is
24 located in the United States.

1 “(b) EARTHQUAKE INSURANCE.—For purposes of
2 this section, the term ‘earthquake insurance’ means insur-
3 ance against losses from any earthquake.

4 “(c) EARTHQUAKE.—For purposes of this section,
5 the term ‘earthquake’ means any shaking or trembling of
6 the crust of the earth caused by underground seismic
7 forces or by breaking and shifting of rock beneath the sur-
8 face.

9 “(d) DENIAL OF DOUBLE BENEFIT.—No deduction
10 shall be allowed under this section for any amount which
11 is allowable as a deduction under any other provision of
12 this chapter.”

13 (b) DEDUCTION ALLOWED WHETHER OR NOT TAX-
14 PAYER ITEMIZES OTHER DEDUCTIONS.—Subsection (a)
15 of section 62 of such Code is amended by inserting after
16 paragraph (15) the following new paragraph:

17 “(16) EARTHQUAKE INSURANCE.—The deduc-
18 tion allowed by section 220.”

19 (c) CLERICAL AMENDMENT.—The table of sections
20 for part VII of subchapter B of chapter 1 of such Code
21 is amended by striking the last item and inserting the fol-
22 lowing new items:

“Sec. 220. Earthquake insurance.

“Sec. 221. Cross reference.”

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.

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