

COMMENT SHEET

STAT TO:
Office of Congressional Affairs

FROM: Compensation, Automation, and Planning
STAT

SUBJECT: H.R. 3915, Radon Gas Tax Relief Act of 1988.

Subject bill has been reviewed by the Office of Personnel and our position is as follows:

- No objection.
- Continue monitoring/OP interest.
- No CIA equities.
- Seek CIA exemption.
- Advise OP when enacted.
- Comments.

This bill amends 5 USC §5724a(a) by adding a new paragraph (5) to provide reimbursement to Federal employees for radon protection expenses related to the sale of their residence at the old official station when they have received notice of transfer and they cannot sell their residence without adding this protection.

STAT

3 March 1988
Date

Name/Signed

~~CONFIDENTIAL~~

1 March 1988

OF-0038-88

25X1

MEMORANDUM FOR:

[Redacted]

Office of Congressional Affairs

FROM:

Allen R. Elkins
Director of Finance

SUBJECT:

HR 3915 - Radon Gas Tax Relief Act of 1988

REFERENCE:

Your Memorandum dtd 16 February 1988, Same Subject

1. This memorandum responds to your referent request for comments on the provisions of HR 3915 which would reimburse Federal employees for the cost of radon protection in their homes when incurred incident to official transfer.

2. It is the position of this office that the subject bill should be strongly endorsed by the Agency. In all probability, radon testing of houses will become a mandatory item for selling or renting of residences. Regardless of whether or not this takes place, the well publicized problem of radon gas is certainly a consideration of any individual relocating to another residence. The Federal Government has always been interested in promoting the health and well being of its employees and the provisions of this bill represent a logical extension of this interest.

3. As always, this office appreciates your sharing these matters with us.

25X1

[Redacted Signature]

Allen R. Elkins

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[Redacted]

~~CONFIDENTIAL~~

16 February 1988

MEMORANDUM FOR: Director of Finance
Deputy Director of Personnel

FROM: Congressional Affairs

SUBJECT: HR 3915--Radon Protection Act

1. Subject bill provides for reimbursement to Federal employees for costs to prevent radon from entering their homes when made incident to their transfer.

2. While I do not expect action on this measure, it is the kind of thing we saw rolled into the Budget Reconciliation Bill or the Continuing Resolution last year. Anticipating such possible action, I would appreciate your comments.

cc: DDA
Legislative Division, OCA

JB
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100TH CONGRESS
2D SESSION

H. R. 3915

To amend the Internal Revenue Code of 1986 to afford tax relief to real estate developers, builders, and individuals who take measures to prevent radon from entering their buildings or homes, and to reimburse Federal employees for the cost of such measures when made incident to a transfer.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 4, 1988

Mrs. SCHROEDER (for herself, Mr. CAMPBELL, Mr. YATRON, Mr. FUSTER, Mrs. COLLINS, Mr. PARRIS, Mrs. BYRON, Mr. RODINO, Mr. HOWARD, Mr. NEAL, Mr. MARTINEZ, Mr. MURPHY, Mr. KOLTER, Mr. GILMAN, Mr. DAVIS of Michigan, Mr. TOWNS, Mr. GORDON, and Mr. GARCIA) introduced the following bill; which was referred jointly to the Committees on Ways and Means and Government Operations

A BILL

To amend the Internal Revenue Code of 1986 to afford tax relief to real estate developers, builders, and individuals who take measures to prevent radon from entering their buildings or homes, and to reimburse Federal employees for the cost of such measures when made incident to a transfer.

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 "Radon Gas Tax Relief
5 Act of 1988".

1 SEC. 2. CREDIT FOR EXPENDITURES TO PROTECT AGAINST
2 RADON IN CERTAIN PRINCIPAL RESIDENCES.

3 (a) IN GENERAL.—Subpart A of part IV of subchapter
4 A of chapter 1 of the Internal Revenue Code of 1986 (relat-
5 ing to nonrefundable personal credits) is amended by insert-
6 ing after section 25 the following new section:

7 “SEC. 25A. EXPENDITURES TO PROTECT AGAINST RADON IN
8 CERTAIN PRINCIPAL RESIDENCES.

9 “(a) CREDIT ALLOWED.—In the case of an individual,
10 there shall be allowed as a credit against the tax imposed by
11 this chapter for the taxable year an amount equal 40 percent
12 of the radon protection expenditures made by the taxpayer
13 with respect to an eligible residence of the taxpayer during
14 the taxable year.

15 “(b) MAXIMUM AMOUNT OF CREDIT.—The amount al-
16 lowable as a credit under subsection (a) to a taxpayer for any
17 taxable year with respect to an eligible residence shall not
18 exceed—

19 “(1) \$4,000, reduced by

20 “(2) the aggregate of the amounts allowed as a
21 credit under subsection (a) with respect to the resi-
22 dence for any preceding taxable year.

23 “(c) DEFINITIONS.—For purposes of this section—

24 “(1) RADON PROTECTION EXPENDITURES.—

1 “(A) IN GENERAL.—The term ‘radon protec-
2 tion expenditures’ means expenditures made by
3 the taxpayer—

4 “(i) to test for the presence of radon
5 inside or below the residence, and

6 “(ii) for the acquisition or original in-
7 stallment of radon protection property in, on,
8 or below the residence.

9 “(B) RADON PROTECTION EXPENDITURES
10 MADE IN THE COURSE OF CONSTRUCTION OR
11 ENLARGEMENT OF RESIDENCE EXCLUDED.—The
12 term ‘radon protection expenditures’ does not in-
13 clude expenditures made by the taxpayer in the
14 course of building or enlarging the residence.

15 “(2) RADON PROTECTION PROPERTY.—The term
16 ‘radon protection property’ means property which—

17 “(A) is designed to reduce the radon in the
18 air inside the residence,

19 “(B) can reasonably be expected to remain in
20 operation, or continue to have effect, for at least
21 3 years, and

22 “(C) meets the appropriateness, performance,
23 and quality standards (if any) which—

1 “(i) have been prescribed by the Admin-
2 istrator of the Environmental Protection
3 Agency by regulations, and

4 “(ii) are in effect at the time of the ac-
5 quisition of the property.

6 “(3) ELIGIBLE RESIDENCE.—The term ‘eligible
7 residence’, with respect to a taxpayer, means a dwell-
8 ing unit—

9 “(A) which is located in the United States,

10 “(B) which is used by the taxpayer as the
11 taxpayer’s principal residence, and

12 “(C) any part of the air inside which has a
13 radon level exceeding 4 picocuries per liter, as de-
14 termined under standards and procedures pre-
15 scribed by the Environmental Protection Agency.

16 “(d) SPECIAL RULES.—

17 “(1) WHEN EXPENDITURE MADE.—An amount
18 shall be treated as expended with respect to an item
19 under this section at the time the original installation
20 of the item is completed.

21 “(2) PRINCIPAL RESIDENCE.—The determination
22 of whether or not a dwelling unit is a taxpayer’s prin-
23 cipal residence shall be made under principles similar
24 to those applicable to section 1034, except that—

1 “(A) no ownership requirement shall be im-
2 posed, and

3 “(B) the period for which a dwelling is treat-
4 ed as the principal residence of the taxpayer shall
5 include the 30-day period ending on the first day
6 on which it would (but for this subparagraph) be
7 treated as his principal residence.

8 “(3) CERTAIN RULES TO APPLY.—Rules similar
9 to the rules of paragraph (10) of section 23(c), and
10 paragraphs (1), (2), (3), and (4) of section 23(d), shall
11 apply for purposes of this section.

12 “(e) BASIS ADJUSTMENT.—For purposes of this sub-
13 title, if a credit is allowed under this section for any expendi-
14 ture with respect to any property, the increase in the basis of
15 such property which would (but for this subsection) result
16 from such expenditure shall be reduced by the amount of the
17 credit so allowed.

18 “(f) CROSS REFERENCE.—

**“For deduction for prevention of radon in development
 of real property or in construction or enlargement of
 buildings or dwellings, see section 197.”**

19 (b) CONFORMING AMENDMENT.—Subsection (a) of sec-
20 tion 1016 of such Code (relating to adjustments to basis) is
21 amended—

22 (1) by striking out “and” at the end of paragraph

23 (24),

1 tion expenditures paid or incurred by the taxpayer during the
2 taxable year.

3 “(b) DEFINITIONS.—For purposes of this section:

4 “(1) RADON PREVENTION EXPENDITURES.—The
5 term ‘qualified radon prevention expenditures’ means
6 radon protection expenditures (as defined in section
7 25A(c)(1)(A)) made—

8 “(A) in the course of developing real proper-
9 ty, or constructing or enlarging any building or
10 dwelling unit, or

11 “(B) by a taxpayer with respect to a quali-
12 fied relocation residence.

13 “(2) QUALIFIED RELOCATION RESIDENCE.—The
14 term ‘qualified relocation residence’ means a dwelling
15 unit required to be purchased by the taxpayer under a
16 contract entered into with an employer (other than the
17 United States) to provide relocation services to em-
18 ployees of the employer.

19 “(c) EXCLUSION OF EXPENDITURES ELIGIBLE FOR
20 CREDIT UNDER SECTION 25A.—Any expenditure eligible
21 for a credit under section 25A shall not be eligible for a de-
22 duction under subsection (a).

23 “(d) CROSS REFERENCE.—

“For credit for expenditures to protect against radon
in certain principal residences, see section 25A.”

1 (b) **CLERICAL AMENDMENT.**—The table of sections for
2 part VI of subchapter B of chapter 1 of such Code is amend-
3 ed by adding at the end the following new item:

“Sec. 197. Deduction for radon prevention expenditures.”

4 **SEC. 4. REIMBURSEMENT OF NECESSARY RADON PROTEC-**
5 **TION EXPENDITURES OF FEDERAL EMPLOY-**
6 **EES MADE INCIDENT TO A TRANSFER.**

7 Subsection (a) of section 5724a of title 5, United States
8 Code, is amended by adding at the end the following:

9 “(5) Radon protection expenditures (as defined in
10 section 25A(c)(1)(A) of the Internal Revenue Code of
11 1986) made by the employee with respect to an eligi-
12 ble residence (as defined in section 25A(c)(3) of such
13 Code) of the employee at the old official station of the
14 employee—

15 “(A) after receiving notice of transfer from
16 his old official station to his new official station;
17 and

18 “(B) reasonably necessary to overcome a
19 substantial impediment to the sale of the resi-
20 dence.”.

21 **SEC. 5. REGULATIONS.**

22 The Secretary of the Treasury, in consultation with the
23 Administrator of the Environmental Protection Agency, shall
24 prescribe such regulations as may be necessary to carry out
25 the amendments made by sections 2 and 3.

1 **SEC. 6. EFFECTIVE DATE.**

2 The amendments made by sections 2, 3, and 4 shall
3 apply to expenditures made after December 31, 1987.

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