

118TH CONGRESS
2D SESSION

H. R. 7821

To amend the Internal Revenue Code of 1986 to provide for a tax credit with respect to fighting retail crime, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 26, 2024

Mr. GALLEGO 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 for a tax credit with respect to fighting retail crime, and for other purposes.

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 “Safer American Family
5 Enterprise Retail Act of 2024” or the “SAFE Retail Act
6 of 2024”.

7 **SEC. 2. RETAIL THEFT PREVENTION CREDIT FOR SMALL**
8 **RETAIL BUSINESSES.**

9 (a) IN GENERAL.—Subpart D of part IV of sub-
10 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by adding at the end the following new
2 section:

3 **“SEC. 45BB. RETAIL THEFT PREVENTION CREDIT FOR**
4 **SMALL RETAIL BUSINESSES.**

5 “(a) IN GENERAL.—For purposes of section 38, in
6 the case of any eligible small retail business operator, the
7 retail theft prevention credit determined under this section
8 for any taxable year is an amount equal to 50 percent
9 of so much of the eligible expenditures for the taxable year
10 as exceeds \$250 but does not exceed \$5,000.

11 “(b) LIMITATION.—The credit determined under sub-
12 section (a) with respect to the taxpayer for any taxable
13 year shall not exceed the excess (if any) of \$2,500 over
14 the aggregate credits allowed under this section with re-
15 spect to the taxpayer for all prior taxable years.

16 “(c) ELIGIBLE SMALL RETAIL BUSINESS OPER-
17 ATOR.—For purposes of this section, the term ‘eligible
18 small retail business operator’ means a person that is—

19 “(1) not an applicable large employer (as de-
20 fined in section 4980H(c)), and

21 “(2) engaged in the trade or business of selling
22 tangible personal property at retail from an office,
23 store, or any other physical location open to the pub-
24 lic.

25 “(d) ELIGIBLE EXPENDITURES.—

1 “(1) IN GENERAL.—For purposes of this sec-
2 tion, the term ‘eligible expenditures’ means, with re-
3 spect to any eligible small retail business operator
4 for any taxable year, amounts paid or incurred by
5 such operator during such taxable year for—

6 “(A) conducting employee security training
7 and background checks,

8 “(B) limiting and preventing access to the
9 personal property to be sold at retail in the pos-
10 session of the operator,

11 “(C) acquiring non-lethal devices used to
12 deter, prevent, or mitigate against the theft of
13 such personal property,

14 “(D) protecting any facility in which the
15 operator stores such personal property,

16 “(E) installing security lighting, cameras,
17 recording equipment, and intrusion detection
18 sensors,

19 “(F) conducting a security vulnerability as-
20 sessment,

21 “(G) implementing a site security plan, or

22 “(H) taking such other measures for the
23 prevention of theft of such personal property as
24 the Secretary may by regulation prescribe.

1 “(2) PURPOSE REQUIREMENT.—Amounts de-
2 scribed in paragraph (1) shall be taken into account
3 only to the extent that such amounts are paid or in-
4 curred for the purpose of deterring, preventing, or
5 mitigating against the loss of personal property to
6 be sold by the eligible small retail business operator
7 at retail.

8 “(e) AGGREGATION RULE.—All persons treated as a
9 single employer under subsection (b), (c), (m), or (o) of
10 section 414 shall be treated as one person for purposes
11 of this section.

12 “(f) REGULATIONS.—The Secretary may prescribe
13 such regulations as may be necessary or appropriate to
14 carry out the purposes of this section, including regula-
15 tions to specify the non-lethal devices described in sub-
16 section (d)(1)(C).

17 “(g) TERMINATION.—This section shall not apply
18 with respect to any amounts paid or incurred after Decem-
19 ber 31, 2029.”.

20 (b) NO DOUBLE BENEFIT.—Section 280C of such
21 Code is amended by adding at the end the following new
22 subsection:

23 “(i) CREDIT FOR RETAIL THEFT PREVENTION FOR
24 SMALL BUSINESSES.—No deduction shall be allowed for
25 that portion of the expenses otherwise allowable as a de-

1 duction taken into account in determining the amount of
2 credit under section 45BB for the taxable year.”.

3 (c) CREDIT ALLOWED AS PART OF GENERAL BUSI-
4 NESS CREDIT.—Section 38(b) of such Code is amended
5 in paragraph (40) by striking “plus”, in paragraph (41)
6 by striking the period and inserting “, plus”, and by add-
7 ing at the end the following new paragraph:

8 “(42) in the case of an eligible small retail busi-
9 ness operator (as defined in section 45BB(c)), the
10 retail theft prevention credit determined under sec-
11 tion 45BB(a).”.

12 (d) CLERICAL AMENDMENT.—The table of sections
13 for subpart D of part IV of subchapter A of chapter 1
14 of such Code is amended by adding at the end the fol-
15 lowing new item:

“Sec. 45BB. Retail theft prevention credit for small retail businesses.”.

16 (e) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning after
18 the date of the enactment of this Act.

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