City of Long Beach
Working Together to Serve

Office of Gerrie Schipske
Councilwoman, Fifth District
Memorandum

R-26

Date: April 17, 2007

To: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

From: Councilwoman Gerrie Schipske

Subject: AGENDA ITEM: HR 1742 and S 582: Fire Sprinkler Incentive Act of 2007

DISCUSSION

As the City of Long Beach continues to discuss the need and importance of requiring the installation of fire sprinklers as the front-line fire suppression measure to protect lives and property in our community, we are faced with the concerns of the financial burdens many property owners will face with the costs of retrofitting and installing sprinkler systems in older structures.

Obviously, the major hurdle to be overcome to achieve the next step of fire safety is that of economics, or specifically the direct cost of installing automatic fire sprinkler systems. Failure to upgrade fire suppression has additional financial burdens as evidenced by the indirect costs of a fire that the community has to endure, such as increased workers' compensation for fire fighter injuries, lost revenue for destroyed businesses, increased litigation costs imposed on government and others, increased fire insurance premiums, indirect loss of revenue from a decline in tourism when the fire occurs in a tourist driven economy; the list of indirect costs of fire is very long.

During discussions at the Council's Standing Committee on Public Safety, I requested that the City Manager explore any type of financial incentives that might be available to property owners; our Committee was told there were none.

The current state and federal tax codes currently act as deterrents to this type of investment. What is needed is a significant tax incentive for the retrofit of fire sprinklers in existing buildings.

At the federal level, legislation has been introduced in both the House and Senate to shorten the "depreciation period" of this investment from 39 years (27.5 years in some instances) to five years. This will allow property owners to recoup their investment in a much shorter period of time.

These bills: HR 1742 and S 582 are both titled; "Fire Sprinkler Incentive Act of 2007."

To my knowledge, there are no bills at the state level on this matter.

Attached is a copy of a report on this proposed legislation written in 2005. This tax incentive will be an economic stimulus as well as serve to protect our vital community infrastructure from any future tragedies that may occur.

RECOMMENDATION

1) The City Council support both HR 1742 and S 582 as part of its federal legislative agenda and that a letter of support be sent to the House Committee Chair on Ways and Means, Charles Rangel; the California Congressional Delegation; and the Senate Committee Chair on Finance, Max Baucus.
2) The City Council support state legislation to provide additional tax incentives for the installation of automatic fire sprinklers and that a letter of support be sent to Assembly and Senate members representing the City of Long Beach.

A Tax Incentive For Life Safety

Fire Sprinkler Incentive Act of 2005

Ad Hoc Committee Members

American Fire Sprinkler Association Campus Firewatch Congressional Fire Services Institute International Association of Fire Chiefs National Fire Protection Association National Fire Sprinkler Association

America Burning Recommissioned, *America at Risk: Findings and Recommendations on the Role of the Fire Service in the Prevention and Control of Risks in America*, December 2000

> The frequency and severity of fires in America do not result from a lack of knowledge of the causes, means of prevention or methods of suppression. We have a fire "problem" because our nation has failed to adequately apply and fund known loss reduction strategies. Had past recommendations of America Burning and subsequent reports been implemented there would have been no need for this Commission. Unless those recommendations and the ones that follow are funded and implemented, the Commission's efforts will have been an exercise in futility. The primary responsibility for fire prevention and suppression and action with respect to other hazards dealt with by the fire services properly rests with the states and local governments. Nevertheless, a substantial role exists for the federal government in funding and technical support.

THE PROBLEM

The 2000 *America Burning - Recommissioned* report is an update of the landmark study conducted originally in 1974. Sadly, as we have seen once again in the past few months, not enough has been done to advance the level of fire safety in the country's built environment. The recent tragedies that have struck in West Warwick, Rhode Island and Hartford, Connecticut only serve to underscore the fact that we have been incredibly remiss in putting into action the technology and knowledge that we have gathered over the past century.

Fires are tragedies that are avoidable. The consequences that we see, the loss of life, the extensive property damage **does not have to happen.**

The latest data available reports that:

- Fire departments responded to 1.7 million fires in 2001.
- There were a total of 521,000 structure fires
- There were 3,745 fire deaths in the United States in 2001 (not including those lost on 9/11)
- Fires caused almost 21,000 civilian injuries
- Excluding the events of 9/11, 99 firefighters were killed in 2001
- Fire caused $8.9 billion in direct property damage

This translates to the fact that a fire department responds to a fire every 18 seconds in the United States. Every 60 seconds a fire breaks out in a structure, and in a residential structure every 80 seconds.

When evaluating the fire problem in the United States, it is important to look at where the fires are occurring as well as recognize major fire death potential so that a viable strategy can be developed to address the problem.

Currently there are a number of programs in place that are aggressively addressing the fire problem through engineering, technical assistance and public education. However, even in this environment, the major hurdle to be overcome to reach the next step of fire safety is that of economics, or specifically the direct cost of installing fire sprinkler systems. All too often when making decisions on adopting aggressive fire safety codes, it is only these direct costs that are discussed with little consideration to the indirect costs of fire.

The historically significant fires that have occurred in our nation, especially the large loss of life fires, have occurred in a variety of occupancy usages. Across the board, fires present a problem in different occupancies, ranging from low-rise residential occupancies to commercial nightclubs to high-rise structures.

There are a number of different factors that go into making a fire-safe structure. These factors are outline in the fire and building codes that are in use across the country. However, as we have seen by recent fire tragedies, these are by no means a guarantee that an existing building will meet the level of fire safety established in the codes.

THE SOLUTION

The NFPA has no record of a fire killing more than two people in a completely sprinklered public assembly, educational, institutional or residential building where the system was properly operating.

As stated above, there are several strategies that can be adopted to address the fire problem. However, one clearly stands above the others in terms of its immediate impact upon life safety and property conservation: automatic fire sprinkler systems. Sprinklers can reduce your chances of dying in a fire from one-half to two-thirds as reflected in the information below.

Civilian Deaths per Thousand (NFPA)
(National estimates based on 1988-1998 NFIRS and NFPA survey)

Property Use	Without Sprinklers	With Sprinklers	% Reduction
Public Assembly	0.8	0.0*	100%
Health Care	4.9	1.2	75%
Apartments	8.2	1.6	81%
Hotels and motels	9.1	0.8*	91%
Dormitories and barracks	1.5	0.0*	100%
Industrial	1.1	0.0*	100%
Manufacturing	2.0	0.8	60%
Storage	1.0	0.0*	100%

* Based on fewer than two deaths per year in the entire ten-year period. Results may not be significant.

In addition to being an invaluable life-safety tool, sprinklers are unparalleled in reducing the property loss. As seen in the following table, the property loss from fires over a ten-year period shows a significant reduction ranging from a low of 42% to an impressive high of 70% in public assembly occupancies.

Estimated Reduction in Property Damage per Fire (NFPA)
(National estimates based on 1989-1998 NFIRS and NFPA survey)

Property Use	Without Sprinklers	With Sprinklers	% Reduction
Public assembly	$21,600	$6,500	70%
Educational	$13,900	$4,400	68%
Residential	$9,400	$5,400	42%
Stores and offices	$24,000	$12,200	50%
Industrial	$30,100	$17,200	43%
Manufacturing	$50,200	$16,700	67%

No one can argue against the effectiveness of sprinklers in controlling a fire and saving lives and property. The major impediment to their widespread use has simply been an economic one.

Sprinklers can be installed in almost any occupancy today. High-rise buildings, assisted living facilities, warehouses, assembly, even residential condominiums and homes -all of these occupancies will benefit greatly from the existence of an automatic fire sprinkler system.

In terms of life safety, buildings such as high-rise residential and commercial buildings, dormitories, Greek housing, assisted living and nursing homes are among those that will have the most direct benefit from a sprinkler system. Other buildings, such as industrial or manufacturing facilities often already have sprinkler systems installed as part of their requirements for obtaining insurance. If not, however, by installing a sprinkler system they are providing a significantly higher level of protection to their property, ensuring continued business operation and continued employment. This translates into a stronger workforce for the community as well as a viable tax base.

While a tax incentive may appear to be singularly a negative cash flow to government, it is in fact an economic stimulus. Quite frankly, fire sprinkler retrofit is not widespread because of the direct costs. With our current low interest rates, coupled with this tax incentive, fire sprinkler retrofit will become attractive and as a result revenue will be generated through increased production of products and services. Fire sprinkler retrofit is very labor intensive with the average percentage of labor costs for retrofit projects estimated at 65%. The benefits of increased employment together with the increase production of materials to meet this new market must also be considered as an economic stimulus.

The installation of sprinklers not only protects the occupants of these buildings, it also provides life safety to the responding fire fighters. A sprinkler system will control a fire, if not extinguish it, in its earliest stages. This reduces the risk to the occupants and to the

fire fighters. This is even more critical in a high-rise building where fighting any fire is an extreme challenge.

Sprinkler systems can dramatically improve the chances of survival of those who cannot save themselves in a timely manner, specifically older adults, younger children and those with disabilities.

FISCAL IMPACT

In the present economy, providing some mechanism and incentive for building owners to install critical life-saving systems such as automatic fire sprinklers is paramount. The question is how to best accomplish this?

Due to financial burdens many nightclub and high-rise building owners are reluctant to upgrade fire safety within their structure unless forced to do so by government. State and local governments recognize the financial burden that these improvements may impose and therefore have been reluctant to force changes to modern code requirements. Failure to upgrade has additional financial burdens as evidenced by the indirect costs of a fire that the community has to endure, such as increased workers' compensation for fire fighter injuries, lost revenue for destroyed businesses, increased litigation costs imposed on government, indirect loss of revenue from a decline in tourism when the fire occurs in a tourist driven economy, the list of indirect cost of fire is very long.

A viable and reasonable solution is the use of a tax incentive. The use of tax incentives to stimulate the economy has been well documented in our country. Taxes have a major impact on a business's cash flow and in many cases taxes may determine a company's viability and survivability. For many property owners the ability to capture and recover expenses in the tax system is critical for economic survival, particularly when local government mandates fire sprinkler retrofit to protect its community's infrastructure and economic base.

Currently, when installing a sprinkler system in any building, be it a high-rise building housing elderly citizens or a place of assembly, the cost of the system is expensed over its depreciable life. Currently, for a commercial occupancy this would represent 39 years, for a residential occupancy such as a high-rise apartment building, this would be 27.5 years. This actually provides a disincentive to install a system because of the long payback that can be realized for the investment.

In 1986 Congress approved the Modified Accelerated Cost Recovery System (MACRS) that provides a reasonable alternative to the current straight-line depreciation method that is used.

Under the MACRS method of depreciation, several classes of assets with prescribed recovery periods or class lives are defined. The major effect of the MACRS system is to shorten the depreciable lives of assets, thus giving businesses larger tax deductions. This in turn increases their cash flow for reinvestment.

We are proposing the use of the MACRS system with the Five-Year class life be used for the installation of an automatic fire sprinkler system in any occupancy. This will provide a strong incentive to install these systems into a variety of occupancies, but especially into those where lives are at greatest risk, such as nursing homes, places of assembly and high-rise residential and commercial buildings.

The moral justification for the installation of sprinkler systems in these buildings has been demonstrated for many years. National fire codes have called for the installation of sprinklers in any new and existing buildings, particularly high-rise buildings, for many years. Following a series of horrific nursing home fires in the 1970s, most nursing homes across the country were equipped with sprinklers.

5 deadliest U.S. nightclub fires of the last 50 years

- Beverly Hills Supper Club, Southgate, KY, May 28, 1977, 165 killed.
- **The Station nightclub, West Warwick, RI, February 20, 2003, 99 killed.**
- Happy Land social club, New York, NY, March 25, 1990, 87 killed.
- Upstairs Lounge, New Orleans, LA, June 24, 1973, 32 killed. Second-story cocktail lounge.
- Club Puerto Rico social club, New York, NY, October 24, 1976, 25 killed.

Source: NFPA

Preliminary estimates suggest the cost to install the life saving fire sprinkler system in The Station in West Warwick would have been under $20,000. The average cost of retrofitting a fire sprinkler system in an existing high-rise can range from approximately $2.00 per square foot to a high of $3.00 per square foot, depending upon the area of the country. And the decisive factor in determining where within the price range a specific project will fall is that of labor costs. The cost of labor varies throughout our country and as previously stated that an average of 65% of the costs of fire sprinkler retrofit comes from labor costs.

Depreciation Schedule Example

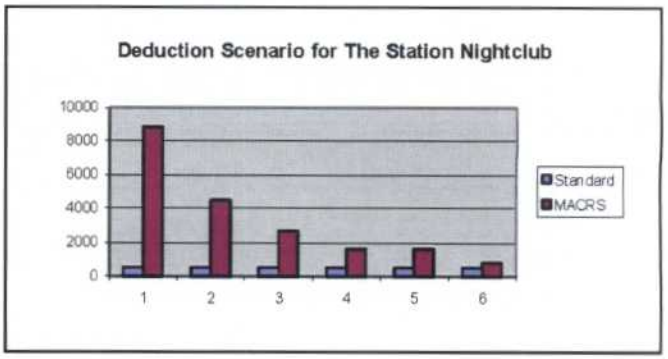
The following example is for the installation of two automatic fire sprinkler systems should they be installed today; one that costs $100,000 and another that costs $250,000. The $100,00 example is for a residential apartment building that would fall under the 27.5-year depreciation schedule while the $250,000 example is a commercial high-rise building that would use the 39-year depreciation schedule. It is assumed that the systems are placed into service in the middle of the first year, therefore the effect of this half-year convention is to extend the recover period for an additional year, resulting in the six-year depreciation schedule shown below. In addition, the deduction scenario for a $20,000 sprinkler system installed in The Station nightclub in West Warwick, typical of many of the occupancies targeted by this tax incentive, is also included.

MACRS Five-Year Class Life

	The Station-$20,000 Installation		$100,000 Installation Residential Apartment		$250,000 Installation Commercial High-rise	
	Current 39 year Depreciation Schedule	MACRS Depreciation Schedule	Current 27.5-year Depreciation Schedule	MACRS Depreciation Schedule	Current 39-year Depreciation Schedule	MACRS Depreciation Schedule
Year						
1	$256.50 a	$8,800	$1,667 a	$44,000 b	$3205 a	$110,000
2	$513	$4,480	$3,636	$22,400	$6,410	$56,000
3	$513	$2,688	$3,636	$13,440	$6,410	$33,600
4	$513	$1,614	$3,636	$8,070	$6,410	$20,175
5	$513	$1,612	$3,636	$8,060	$6,410	$20,150
6	$513 c	$806	$3,636 c	$4,030	$6,410 c	$10,075

a) First year deprecation using the ½-year convention.
b) This figure is arrived at by the 30% bonus for the first year, $100,000 X 30% = $30,000. The remaining $70,000 is depreciated using the double declining balance method (0.40 X $70,000 = $28,000) then applying the ½-year convention ($28,000/2 = $14,000). Therefore, the first year bonus plus the ½ year convention is $30,000 + $14,000 = $44,000. Subsequent years are based on a standard 5-year deduction schedule.
c) This dollar value is continued for the remaining length of the depreciation schedule, 27.5 years or 39 years.

Consistent with tax incentive actions provided in the *Job Creation and Workers Assistance Act of 2002* passed by Congress, an additional 30% deduction is figured into this tax incentive. The first year's depreciation is deducted on the balance after the special depreciation allowance of 30% is applied, again a procedure consistent with the established provisions applied in the *Job Creation and Workers Assistance Act of 2002.*



If a $20,000 sprinkler system had been installed in The Station nightclub in West Warwick, the total deductions in the first six years, under the current 39-year schedule, would have amounted to $2,822. Under the MACRS scenario, the system would have been fully deducted within six years.

CONCLUSION

The year 2003 has been a terrible one for fire tragedies. People die every day in horrific fires that can be avoided. The tragic event at The Station nightclub where 99 people died in West Warwick, Rhode Island, reminds us that we have to make a change, here and now. We know what the answers are and have known for many years. It is time for us to put these solutions in place so that we are never destined to repeat the tragedies of West Warwick, Hartford, New York, Southgate and the other fires that have killed so many.

The solution proposed in this paper is one that can be applied across our nation, no matter how large or small a community may be. Residential and commercial high-rise, privately owned student housing, public assembly- these are occupancies that can be found in almost any community. Our older adults, young children and people with disabilities, or those who statistically are our higher fire risk groups can be found in all of these buildings.

By promoting the installation of automatic fire sprinkler systems in these occupancies, it is our collective belief that the Federal government will have the opportunity to take a significant, proactive step in safeguarding the lives of our citizens.

By passing a tax incentive, Congress can have a critical role in making the places that our citizens live, work and play dramatically safer. This will avoid our repeating a tragic history that has been seen all too often over the years. This will also serve to protect our vital community infrastructure in these uncertain times. And this tax incentive will also act as an economic stimulus.

Quite simply, the time is now.

110TH CONGRESS
1ST SESSION

S. 582

To amend the Internal Revenue Code of 1986 to classify automatic fire sprinkler systems as 5-year property for purposes of depreciation.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 14, 2007

Mr. SMITH (for himself, Mr. ROCKEFELLER, Mr. REED, and Mr. ALEXANDER) introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To amend the Internal Revenue Code of 1986 to classify automatic fire sprinkler systems as 5-year property for purposes of depreciation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fire Sprinkler Incentive Act of 2007".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the publication of the original study and comprehensive list of recommendations in America

Burning, written in 1974, requesting advances in fire prevention through the installation of automatic sprinkler systems in existing buildings have yet to be fully implemented;

(2) fire departments responded to approximately 1,600,000 fires in 2005;

(3) there were 3,675 non-terrorist related deaths in the United States and almost 17,925 civilian injuries resulting from fire in 2005;

(4) 87 firefighters were killed in 2005;

(5) fire caused $10,672,000,000 in direct property damage in 2005, and sprinklers are responsible for a 70 percent reduction in property damage from fires in public assembly, educational, residential, commercial, industrial and manufacturing buildings;

(6) fire departments respond to a fire every 20 seconds, a fire breaks out in a structure every 61 seconds and in a residential structure every 79 seconds in the United States;

(7) the Station Nightclub in West Warwick, Rhode Island, did not contain an automated sprinkler system and burned down, killing 99 people on February 20, 2003;

(8) due to an automated sprinkler system, not a single person was injured from a fire beginning in

the Fine Line Music Café in Minneapolis after the use of pyrotechnics on February 17, 2003;

(9) the National Fire Protection Association has no record of a fire killing more than 2 people in a completely sprinklered public assembly, educational, institutional or residential building where the system was properly installed and fully operational;

(10) sprinkler systems dramatically improve the chances of survival of those who cannot save themselves, specifically older adults, young children and people with disabilities;

(11) the financial cost of upgrading fire counter measures in buildings built prior to fire safety codes is prohibitive for most property owners;

(12) many State and local governments lack any requirements for older structures to contain automatic sprinkler systems;

(13) under the present straight-line method of depreciation, there is a disincentive for building safety improvements due to an extremely low rate of return on investment; and

(14) the Nation is in need of incentives for the voluntary installation and retrofitting of buildings with automated sprinkler systems to save the lives of

countless individuals and responding firefighters as well as drastically reduce the costs from property damage.

SEC. 3. CLASSIFICATION OF AUTOMATIC FIRE SPRINKLER SYSTEMS.

(a) IN GENERAL.—Subparagraph (B) of section 168(e)(3) of the Internal Revenue Code of 1986 (relating to 5-year property) is amended by striking "and" at the end of clause (v), by striking the period at the end of clause (vi) and inserting ", and", and by inserting after clause (vi) the following:

> "(vii) any automatic fire sprinkler system placed in service after the date of the enactment of this clause in a building structure which was placed in service before such date of enactment.".

(b) ALTERNATIVE SYSTEM.—The table contained in section 168(g)(3)(B) of the Internal Revenue Code of 1986 (relating to special rule for certain property assigned to classes) is amended by inserting after the item relating to subparagraph (B)(iii) the following:

"(B)(vii) ..... 7".

(c) DEFINITION OF AUTOMATIC FIRE SPRINKLER SYSTEM.—Subsection (i) of section 168 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

"(18) AUTOMATED FIRE SPRINKLER SYSTEM.—The term 'automated fire sprinkler system' means those sprinkler systems classified under one or more of the following publications of the National Fire Protection Association—

"(A) NFPA 13, Installation of Sprinkler Systems,

"(B) NFPA 13 D, Installation of Sprinkler Systems in One and Two Family Dwellings and Manufactured Homes, and

"(C) NFPA 13 R, Installation of Sprinkler Systems in Residential Occupancies up to and Including Four Stories in Height.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

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110th CONGRESS
1st Session
H. R. 1742

To amend the Internal Revenue Code of 1986 to classify automatic fire sprinkler systems as 5-year property for purposes of depreciation.

IN THE HOUSE OF REPRESENTATIVES
March 28, 2007

Mr. LANGEVIN (for himself, Mr. CANTOR, Mrs. JONES of Ohio, Mr. RAMSTAD, Mr. PASCRELL, Mr. BUTTERFIELD, Ms. SCHWARTZ, Mr. KING of New York, Mr. GERLACH, Mr. MCINTYRE, Mr. COHEN, Mr. BOOZMAN, Ms. ZOE LOFGREN of California, Ms. SUTTON, Mr. THOMPSON of Mississippi, Mr. ETHERIDGE, Mr. EHLERS, Mr. LOBIONDO, Mr. SAXTON, Mr. SHAYS, Mr. SHIMKUS, Mr. BRADY of Pennsylvania, and Mr. GRIJALVA) 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 classify automatic fire sprinkler systems as 5-year property for purposes of depreciation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the `Fire Sprinkler Incentive Act of 2007'.

SEC. 2. FINDINGS.

The Congress finds that--

(1) the publication of the original study and comprehensive list of recommendations in America Burning, written in 1974, requested advances in fire prevention through the installation of automatic sprinkler systems in existing buildings have yet to be fully implemented;

(2) fire departments responded to approximately 1,600,000 fires in 2005;

(3) there were 3,675 civilian deaths and 17,925 civilian injuries resulting from fire in the United States in 2005;

(4) 87 firefighters were killed in 2005;

(5) fire caused $10,672,000,000 in direct property damage in 2005, and sprinklers are responsible for a 70 percent reduction in property damage from fires in public assembly, educational, residential, commercial, industrial and manufacturing buildings;

(6) fire departments respond to a fire every 20 seconds, a fire breaks out in a structure every 61 seconds and in a residential structure every 79 seconds in the United States;

(7) the Station Nightclub in West Warwick, Rhode Island, did not contain an automated sprinkler system and burned down, killing 100 people on February 20, 2003;

(8) due to an automated sprinkler system, not a single person was injured from a fire beginning in the Fine Line Music Cafe in Minneapolis after the use of pyrotechnics on February 17, 2003;

(9) the National Fire Protection Association has no record of a fire killing more than 2 people in a completely sprinklered public assembly, educational, institutional or residential building where the system was properly installed and fully operational;

(10) sprinkler systems dramatically improve the chances of survival of those who cannot save themselves, specifically older adults, young children and people with disabilities;

(11) the financial cost of upgrading fire counter-measures in buildings built prior to fire safety codes is prohibitive for most property owners;

(12) many State and local governments lack any requirements for existing structures to contain automatic sprinkler systems;

(13) under the present straight-line method of depreciation, there is a disincentive for building safety improvements due to an extremely low rate of return on investment; and

(14) the Nation is in need of incentives for the voluntary installation and retrofitting of buildings with automated sprinkler systems to save the lives of countless individuals and responding firefighters as well as drastically reduce the costs from property damage.

SEC. 3. CLASSIFICATION OF AUTOMATIC FIRE SPRINKLER SYSTEMS.

(a) In General- Subparagraph (B) of section 168(e)(3) of the Internal Revenue Code of 1986 (relating to 5-year property) is amended by striking `and' at the end

of clause (v), by striking the period at the end of clause (vi) and inserting `, and', and by adding at the end the following:

> (vii) any automated fire sprinkler system placed in service after April 11, 2003, in a building or structure which was placed in service before such date.'.

(b) Alternative System- The table contained in section 168(g)(3)(B) of the Internal Revenue Code of 1986 is amended by inserting after the item relating to subparagraph (B)(iii) the following:

(c) Definition of Automatic Fire Sprinkler System- Subsection (i) of section 168 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

> `(17) AUTOMATED FIRE SPRINKLER SYSTEM- The term `automated fire sprinkler system' means those sprinkler systems classified under one or more of the following publications of the National Fire Protection Association--
>
> > `(A) NFPA 13, Installation of Sprinkler Systems,
> >
> > `(B) NFPA 13 D, Installation of Sprinkler Systems in One and Two Family Dwellings and Manufactured Homes, and
> >
> > `(C) NFPA 13 R, Installation of Sprinkler Systems in Residential Occupancies Up to and Including Four Stories in Height.'.

(d) Effective Date- The amendments made by this section shall apply to property placed in service after April 11, 2003.

(e) Waiver of Limitations- If refund or credit of any overpayment of tax resulting from the amendments made by this section is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.