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112TH CONGRESS
2D SESSION

S. 3601

To provide tax relief with respect to the Hurricane Isaac disaster area.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 20, 2012

Mr. VITTER introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To provide tax relief with respect to the Hurricane Isaac disaster area.

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 ''Investment Savings Access After Catastrophes Act of 2012''.

SEC. 2. HURRICANE ISAAC DISASTER AREA.

For purposes of this Act, the term ''Hurricane Isaac disaster area'' means any parish or county of Louisiana or Mississippi which is (in whole or in part) in the area with respect to which a major disaster has been declared by the President before September 10, 2012, under section

401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Isaac.

SEC. 3. SUSPENSION OF PERSONAL CASUALTY LOSS LIMITATIONS.

Paragraphs (1) and (2) of section 165(h) of the Internal Revenue Code of 1986 shall not apply to losses described in section 165(c)(3) of such Code which arise in the Hurricane Isaac disaster area during the 2-year period beginning on August 26, 2012, and which are attributable to Hurricane Isaac. In the case of any other losses, section 165(h)(2)(A) of such Code shall be applied without regard to the losses referred to in the preceding sentence.

SEC. 4. TREATMENT OF NET OPERATING LOSSES ATTRIBUTABLE TO HURRICANE ISAAC.

(a) EXTENSION OF CARRYBACK PERIOD.—During the 2-year period beginning on August 26, 2012, if a portion of any net operating loss of the taxpayer for any taxable year is a Hurricane Isaac loss, section 172(b)(1) of the Internal Revenue Code of 1986 shall be applied with respect to such portion—

(1) by substituting ''5 taxable years'' for ''2 taxable years'' in subparagraph (A)(i) thereof, and

(2) by not taking such portion into account in determining any eligible loss of the taxpayer under subparagraph (F) thereof for the taxable year.

(b) SUSPENSION OF 90 PERCENT AMT LIMITATION.—Section 56(d)(1) of such Code shall be applied by increasing the amount determined under subparagraph (A)(ii)(I) thereof by the sum of the carrybacks and carryovers of any net operating loss attributable to the portion described in subsection (a).

(c) HURRICANE ISAAC LOSS.—For purposes of this section—

(1) IN GENERAL.—The term ''Hurricane Isaac loss'' means the lesser of—

(A) the excess of—

(i) the net operating loss for such taxable year, over

(ii) the specified liability loss for such taxable year to which a 10-year carryback applies under section 172(b)(1)(C) of such Code, or

(B) the amount of any deduction for any qualified Hurricane Isaac casualty loss to the extent taken into account in computing the net operating loss for such taxable year.

(2) QUALIFIED HURRICANE ISAAC CASUALTY LOSS.—

(A) IN GENERAL.—The term ''qualified Hurricane Isaac casualty loss'' means any un-

compensated section 1231 loss (as defined in section 1231(a)(3)(B) of such Code) of property located in the Hurricane Isaac disaster area if—

(i) such loss is allowed as a deduction under section 165 of such Code for the taxable year, and

(ii) such loss is by reason of Hurricane Isaac.

(B) APPLICABLE RULES.—For purposes of subparagraph (A), rules similar to the rules of subparagraphs (B) and (C) of paragraph (3), and paragraph (4), of section 1400N(k) of such Code and shall apply.

SEC. 5. TAX-FAVORED WITHDRAWALS FROM RETIREMENT PLANS.

(a) IN GENERAL.—A qualified Hurricane Isaac distribution shall be treated as a qualified hurricane distribution for purposes of section 1400Q(a) of the Internal Revenue Code of 1986.

(b) QUALIFIED HURRICANE ISAAC DISTRIBUTION.—For purposes of subsection (a), the term ''qualified Hurricane Isaac distribution'' means any distribution from an eligible retirement plan made on or after August 26, 2012, and before September 11, 2014, to an individual whose

principal place of abode on August 26, 2012, is located in the Hurricane Isaac disaster area and who has sustained an economic loss by reason of Hurricane Isaac.

(c) APPLICABLE RULES.—For purposes of this section, rules similar to the rules of section 1400Q(a) of such Code (other than paragraph (4)(A) thereof) shall apply.

SEC. 6. RESCISSION OF UNSPENT AND UNCOMMITTED FEDERAL FUNDS.

(a) IN GENERAL.—Notwithstanding any other provision of law, of all available unobligated Federal funds, an amount in appropriated discretionary unexpired funds determined by the Director of the Office of Management and Budget to be equal to the reduction in Federal revenues by reason of the enactment of this Act is rescinded.

(b) IMPLEMENTATION.—Not later than 60 days after the date of enactment of this Act, the Director of the Office of Management and Budget shall—

(1) identify the accounts and amounts rescinded to implement subsection (a); and

(2) submit a report to the Secretary of the Treasury and Congress of the accounts and amounts identified under paragraph (1) for rescission.

(c) EXCEPTION.—This section shall not apply to the unobligated Federal funds of the Department of Defense or the Department of Veterans Affairs.

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