

114TH CONGRESS
2D SESSION

H. R. 6137

To provide emergency tax relief for persons affected by severe storms and flooding occurring in Louisiana.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 22, 2016

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

A BILL

To provide emergency tax relief for persons affected by severe storms and flooding occurring in Louisiana.

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, ETC.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Louisiana Flood and Storm Devastation Tax Relief Act
6 of 2016”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

Sec. 1. Short title, etc.

Sec. 2. Louisiana storm and flood disaster area.

TITLE I—SPECIAL RULES FOR USE OF RETIREMENT FUNDS FOR
RELIEF RELATING TO 2016 LOUISIANA STORMS AND FLOODING

- Sec. 101. Tax-favored withdrawals from retirement plans for relief relating to 2016 Louisiana storms and flooding.
- Sec. 102. Recontributions of withdrawals for home purchases canceled due to the 2016 Louisiana storms and flooding.
- Sec. 103. Loans from qualified plans for relief relating to 2016 Louisiana storms and flooding.
- Sec. 104. Provisions relating to plan amendments.

TITLE II—EMPLOYMENT RELIEF

- Sec. 201. Work opportunity tax credit for Louisiana storm and flood employees.
- Sec. 202. Employee retention credit for employers affected by 2016 Louisiana storms and flooding.

TITLE III—CHARITABLE GIVING INCENTIVES

- Sec. 301. Temporary suspension of limitations on charitable contributions.
- Sec. 302. Additional exemption for housing Louisiana storm and flood displaced individuals.
- Sec. 303. Increase in standard mileage rate for charitable use of vehicles.
- Sec. 304. Mileage reimbursements to charitable volunteers excluded from gross income.
- Sec. 305. Charitable deduction for contributions of book inventories to public schools.

TITLE IV—ADDITIONAL TAX RELIEF PROVISIONS

- Sec. 401. Exclusions of certain cancellations of indebtedness by reason of 2016 Louisiana storms and flooding.
- Sec. 402. Suspension of certain limitations on personal casualty losses.
- Sec. 403. Required exercise of authority under section 7508A for tax relief relating to 2016 Louisiana storms and flooding.
- Sec. 404. Special rules for mortgage revenue bonds relating to 2016 Louisiana storms and flooding.
- Sec. 405. Extension of replacement period for nonrecognition of gain for property located in Louisiana storm and flood disaster area.
- Sec. 406. Special rule for determining earned income.
- Sec. 407. Secretarial authority to make adjustments regarding taxpayer and dependency status.
- Sec. 408. Low-income housing credit.
- Sec. 409. Application of new markets tax credit to investments in community development entities serving Louisiana storm and flood disaster area.
- Sec. 410. Tax-exempt bond financing.
- Sec. 411. Expensing for certain demolition and clean-up costs.
- Sec. 412. Extension of expensing for environmental remediation costs.
- Sec. 413. Treatment of net operating losses attributable to Louisiana storm and flood disaster area losses.
- Sec. 414. Increased expensing for qualified timber property.
- Sec. 415. Disaster loss carryback.
- Sec. 416. Housing relief for individuals affected by Hurricane Katrina.

1 **SEC. 2. LOUISIANA STORM AND FLOOD DISASTER AREA.**

2 For purposes of this Act—

1 (1) LOUISIANA STORM AND FLOOD DISASTER
2 AREA.—The term “Louisiana storm and flood dis-
3 aster area” means an area with respect to which a
4 major disaster has been declared by the President
5 under section 401 of the Robert T. Stafford Disaster
6 Relief and Emergency Assistance Act—

7 (A) before September 3, 2016, by reason
8 of severe storms and flooding occurring in Lou-
9 isiana during August of 2016, and

10 (B) before April 21, 2016, by reason of se-
11 vere storms and flooding occurring in Louisiana
12 during March and April of 2016.

13 (2) CORE DISASTER AREA.—The term “core
14 disaster area” means that portion of the Louisiana
15 storm and flood disaster area determined by the
16 President to warrant individual or individual and
17 public assistance from the Federal Government
18 under such Act.

19 (3) APPLICABLE DISASTER DATE.—The term
20 “applicable disaster date” means, with respect to
21 any Louisiana storm and flood disaster area, the
22 date of the first day of the period during which the
23 severe storms and flooding giving rise to the Presi-
24 dential declaration described in paragraph (1) oc-
25 curred.

1 **TITLE I—SPECIAL RULES FOR**
 2 **USE OF RETIREMENT FUNDS**
 3 **FOR RELIEF RELATING TO**
 4 **2016 LOUISIANA STORMS AND**
 5 **FLOODING**

6 **SEC. 101. TAX-FAVORED WITHDRAWALS FROM RETIRE-**
 7 **MENT PLANS FOR RELIEF RELATING TO 2016**
 8 **LOUISIANA STORMS AND FLOODING.**

9 (a) IN GENERAL.—Section 72(t) of the Internal Rev-
 10 enue Code of 1986 shall not apply to any qualified Lou-
 11 isiana storm and flood distribution.

12 (b) AGGREGATE DOLLAR LIMITATION.—

13 (1) IN GENERAL.—For purposes of this section,
 14 the aggregate amount of distributions received by an
 15 individual which may be treated as qualified Lou-
 16 isiana storm and flood distributions for any taxable
 17 year shall not exceed the excess (if any) of—

18 (A) \$100,000, over

19 (B) the aggregate amounts treated as
 20 qualified Louisiana storm and flood distribu-
 21 tions received by such individual for all prior
 22 taxable years.

23 (2) TREATMENT OF PLAN DISTRIBUTIONS.—If
 24 a distribution to an individual would (without regard
 25 to paragraph (1)) be a qualified Louisiana storm

1 and flood distribution, a plan shall not be treated as
2 violating any requirement of the Internal Revenue
3 Code of 1986 merely because the plan treats such
4 distribution as a qualified Louisiana storm and flood
5 distribution, unless the aggregate amount of such
6 distributions from all plans maintained by the em-
7 ployer (and any member of any controlled group
8 which includes the employer) to such individual ex-
9 ceeds \$100,000.

10 (3) CONTROLLED GROUP.—For purposes of
11 paragraph (2), the term “controlled group” means
12 any group treated as a single employer under sub-
13 section (b), (c), (m), or (o) of section 414 of such
14 Code.

15 (c) AMOUNT DISTRIBUTED MAY BE REPAID.—

16 (1) IN GENERAL.—Any individual who receives
17 a qualified Louisiana storm and flood distribution
18 may, at any time during the 3-year period beginning
19 on the day after the date on which such distribution
20 was received, make one or more contributions in an
21 aggregate amount not to exceed the amount of such
22 distribution to an eligible retirement plan of which
23 such individual is a beneficiary and to which a roll-
24 over contribution of such distribution could be made
25 under section 402(c), 403(a)(4), 403(b)(8),

1 408(d)(3), or 457(e)(16) of such Code, as the case
2 may be.

3 (2) TREATMENT OF REPAYMENTS OF DISTRIBUTIONS FROM ELIGIBLE RETIREMENT PLANS OTHER
4 THAN IRAS.—For purposes of such Code, if a contribution is made pursuant to paragraph (1) with respect to a qualified Louisiana storm and flood distribution from an eligible retirement plan other than
5 an individual retirement plan, then the taxpayer shall, to the extent of the amount of the contribution, be treated as having received the qualified Louisiana storm and flood distribution in an eligible roll-over distribution (as defined in section 402(c)(4) of
6 such Code) and as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.
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17 (3) TREATMENT OF REPAYMENTS FOR DISTRIBUTIONS FROM IRAS.—For purposes of such
18 Code, if a contribution is made pursuant to paragraph (1) with respect to a qualified Louisiana storm and flood distribution from an individual retirement plan (as defined by section 7701(a)(37) of
19 such Code), then, to the extent of the amount of the contribution, the qualified Louisiana storm and flood distribution shall be treated as a distribution de-
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1 scribed in section 408(d)(3) of such Code and as
2 having been transferred to the eligible retirement
3 plan in a direct trustee to trustee transfer within 60
4 days of the distribution.

5 (d) DEFINITIONS.—For purposes of this section—

6 (1) QUALIFIED LOUISIANA STORM AND FLOOD-
7 ING DISTRIBUTION.—Except as provided in sub-
8 section (b), the term “qualified Louisiana storm and
9 flooding distribution” means any distribution from
10 an eligible retirement plan made on or after the ap-
11 plicable disaster date, to an individual whose prin-
12 cipal residence on or after such date, is located in
13 the Louisiana storm and flood disaster area and who
14 has sustained an economic loss by reason of the se-
15 vere storms and flooding giving rise to the Presi-
16 dential declaration described in section 2(1).

17 (2) ELIGIBLE RETIREMENT PLAN.—The term
18 “eligible retirement plan” shall have the meaning
19 given such term by section 402(c)(8)(B) of such
20 Code.

21 (e) INCOME INCLUSION SPREAD OVER 3-YEAR PE-
22 RIOD FOR QUALIFIED LOUISIANA STORM AND FLOODING
23 DISTRIBUTIONS.—

24 (1) IN GENERAL.—In the case of any qualified
25 Louisiana storm and flood distribution, unless the

1 taxpayer elects not to have this subsection apply for
 2 any taxable year, any amount required to be in-
 3 cluded in gross income for such taxable year shall be
 4 so included ratably over the 3-taxable-year period
 5 beginning with such taxable year.

6 (2) SPECIAL RULE.—For purposes of para-
 7 graph (1), rules similar to the rules of subparagraph
 8 (E) of section 408A(d)(3) of such Code shall apply.

9 (f) SPECIAL RULES.—

10 (1) EXEMPTION OF DISTRIBUTIONS FROM
 11 TRUSTEE TO TRUSTEE TRANSFER AND WITH-
 12 HOLDING RULES.—For purposes of sections
 13 401(a)(31), 402(f), and 3405 of such Code, qualified
 14 Louisiana storm and flood distributions shall not be
 15 treated as eligible rollover distributions.

16 (2) QUALIFIED LOUISIANA STORM AND FLOOD-
 17 ING DISTRIBUTIONS TREATED AS MEETING PLAN
 18 DISTRIBUTION REQUIREMENTS.—For purposes of
 19 such Code, a qualified Louisiana storm and flood
 20 distribution shall be treated as meeting the require-
 21 ments of sections 401(k)(2)(B)(i), 403(b)(7)(A)(ii),
 22 403(b)(11), and 457(d)(1)(A) of such Code.

1 **SEC. 102. RECONTRIBUTIONS OF WITHDRAWALS FOR HOME**
2 **PURCHASES CANCELED DUE TO THE 2016**
3 **LOUISIANA STORMS AND FLOODING.**

4 (a) RECONTRIBUTIONS.—

5 (1) IN GENERAL.—Any individual who received
6 a qualified distribution may, during the period be-
7 ginning on the applicable disaster date, and ending
8 on February 28, 2017, make one or more contribu-
9 tions in an aggregate amount not to exceed the
10 amount of such qualified distribution to an eligible
11 retirement plan (as defined in section 402(c)(8)(B)
12 of the Internal Revenue Code of 1986) of which such
13 individual is a beneficiary and to which a rollover
14 contribution of such distribution could be made
15 under section 402(c), 403(a)(4), 403(b)(8), or
16 408(d)(3) of such Code, as the case may be.

17 (2) TREATMENT OF REPAYMENTS.—Rules simi-
18 lar to the rules of paragraphs (2) and (3) of section
19 101(c) of this Act shall apply for purposes of this
20 section.

21 (b) QUALIFIED DISTRIBUTION DEFINED.—For pur-
22 poses of this section, the term “qualified distribution”
23 means any distribution—

24 (1) described in section 401(k)(2)(B)(i)(IV),
25 403(b)(7)(A)(ii) (but only to the extent such dis-

1 tribution relates to financial hardship),
 2 403(b)(11)(B), or 72(t)(2)(F) of such Code,

3 (2) received after February 10, 2016, and be-
 4 fore August 11, 2016, and

5 (3) which was to be used to purchase or con-
 6 struct a principal residence in the Louisiana storm
 7 and flood disaster area, but which was not so pur-
 8 chased or constructed on account of the severe
 9 storms and flooding giving rise to the Presidential
 10 declaration described in section 2(1).

11 **SEC. 103. LOANS FROM QUALIFIED PLANS FOR RELIEF RE-**
 12 **LATING TO 2016 LOUISIANA STORMS AND**
 13 **FLOODING.**

14 (a) INCREASE IN LIMIT ON LOANS NOT TREATED AS
 15 DISTRIBUTIONS.—In the case of any loan from a qualified
 16 employer plan (as defined under section 72(p)(4) of the
 17 Internal Revenue Code of 1986) to a qualified individual
 18 made after the date of enactment of this Act and before
 19 January 1, 2018—

20 (1) clause (i) of section 72(p)(2)(A) of such
 21 Code shall be applied by substituting “\$100,000”
 22 for “\$50,000”, and

23 (2) clause (ii) of such section shall be applied
 24 by substituting “the present value of the nonforfeit-
 25 able accrued benefit of the employee under the plan”

1 for “one-half of the present value of the nonforfeit-
2 able accrued benefit of the employee under the
3 plan”.

4 (b) DELAY OF REPAYMENT.—In the case of a quali-
5 fied individual with an outstanding loan on or after the
6 date that is 5 days before the applicable disaster date,
7 from a qualified employer plan (as defined in section
8 72(p)(4) of such Code)—

9 (1) if the due date pursuant to subparagraph
10 (B) or (C) of section 72(p)(2) of such Code for any
11 repayment with respect to such loan occurs during
12 the period beginning on the date that is 5 days be-
13 fore the applicable disaster date, and ending on De-
14 cember 31, 2017, such due date shall be delayed for
15 1 year,

16 (2) any subsequent repayments with respect to
17 any such loan shall be appropriately adjusted to re-
18 flect the delay in the due date under paragraph (1)
19 and any interest accruing during such delay, and

20 (3) in determining the 5-year period and the
21 term of a loan under subparagraph (B) or (C) of
22 section 72(p)(2) of such Code, the period described
23 in paragraph (1) shall be disregarded.

24 (c) QUALIFIED INDIVIDUAL.—For purposes of this
25 section, the term “qualified individual” means an indi-

vidual whose principal place of abode on the date that is 5 days before the applicable disaster date, is located in the Louisiana storm and flood disaster area and who has sustained an economic loss by reason of the severe storms and flooding giving rise to the Presidential declaration described in section 2(1).

SEC. 104. PROVISIONS RELATING TO PLAN AMENDMENTS.

(a) IN GENERAL.—If this section applies to any amendment to any plan or annuity contract, such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in subsection (b)(2)(A).

(b) AMENDMENTS TO WHICH SECTION APPLIES.—

(1) IN GENERAL.—This section shall apply to any amendment to any plan or annuity contract which is made—

(A) pursuant to any amendment made by this title, or pursuant to any regulation issued by the Secretary of the Treasury or the Secretary of Labor under this title, and

(B) on or before the last day of the first plan year beginning on or after January 1, 2018, or such later date as the Secretary of the Treasury may prescribe.

1 In the case of a governmental plan (as defined in
2 section 414(d) of the Internal Revenue Code of
3 1986), subparagraph (B) shall be applied by sub-
4 stituting the date which is 2 years after the date
5 otherwise applied under subparagraph (B).

6 (2) CONDITIONS.—This section shall not apply
7 to any amendment unless—

8 (A) during the period—

9 (i) beginning on the date the legisla-
10 tive or regulatory amendment described in
11 paragraph (1)(A) takes effect (or in the
12 case of a plan or contract amendment not
13 required by such legislative or regulatory
14 amendment, the effective date specified by
15 the plan), and

16 (ii) ending on the date described in
17 paragraph (1)(B) (or, if earlier, the date
18 the plan or contract amendment is adopt-
19 ed),

20 the plan or contract is operated as if such plan
21 or contract amendment were in effect, and

22 (B) such plan or contract amendment ap-
23 plies retroactively for such period.

1 **TITLE II—EMPLOYMENT RELIEF**

2 **SEC. 201. WORK OPPORTUNITY TAX CREDIT FOR LOU-**
3 **ISIANA STORM AND FLOOD EMPLOYEES.**

4 (a) IN GENERAL.—For purposes of section 51 of the
5 Internal Revenue Code of 1986, a Louisiana storm and
6 flood employee shall be treated as a member of a targeted
7 group.

8 (b) LOUISIANA STORM AND FLOOD EMPLOYEE.—
9 For purposes of this section, the term “Louisiana storm
10 and flood employee” means—

11 (1) any individual who on the applicable dis-
12 aster date, had a principal place of abode in the core
13 disaster area and who is hired during the 2-year pe-
14 riod beginning on such date for a position the prin-
15 cipal place of employment of which is located in the
16 core disaster area, and

17 (2) any individual who on such date had a prin-
18 cipal place of abode in the core disaster area, who
19 is displaced from such abode by reason of the severe
20 storms and flooding giving rise to the Presidential
21 declaration described in section 2(1), and who is
22 hired during the period beginning on such date and
23 ending on December 31, 2016.

24 (c) REASONABLE IDENTIFICATION ACCEPTABLE.—In
25 lieu of the certification requirement under section

1 51(d)(12)(A) of such Code, an individual may provide to
2 the employer reasonable evidence that the individual is a
3 Louisiana storm and flood employee, and subparagraph
4 (B) of such section shall be applied as if such evidence
5 were a certification described in such subparagraph.

6 (d) SPECIAL RULES FOR DETERMINING CREDIT.—
7 For purposes of applying subpart F of part IV of sub-
8 chapter A of chapter 1 of such Code to wages paid or in-
9 curred to any Louisiana storm and flood employee—

10 (1) section 51(c)(4) of such Code shall not
11 apply, and

12 (2) section 51(i)(2) of such Code shall not
13 apply with respect to the first hire of such employee
14 as a Louisiana storm and flood employee, unless
15 such employee was an employee of the employer on
16 the applicable disaster date.

17 **SEC. 202. EMPLOYEE RETENTION CREDIT FOR EMPLOYERS**

18 **AFFECTED BY 2016 LOUISIANA STORMS AND**

19 **FLOODING.**

20 (a) IN GENERAL.—In the case of an eligible em-
21 ployer, there shall be allowed as a credit against the tax
22 imposed by chapter 1 of the Internal Revenue Code of
23 1986 for the taxable year an amount equal to 40 percent
24 of the qualified wages with respect to each eligible em-
25 ployee of such employer for such taxable year. For pur-

1 poses of the preceding sentence, the amount of qualified
2 wages which may be taken into account with respect to
3 any individual shall not exceed \$6,000.

4 (b) DEFINITIONS.—For purposes of this section—

5 (1) ELIGIBLE EMPLOYER.—The term “eligible
6 employer” means any employer—

7 (A) which conducted an active trade or
8 business on the applicable disaster date, in a
9 core disaster area, and

10 (B) with respect to whom the trade or
11 business described in subparagraph (A) is inop-
12 erable on or after the applicable disaster date,
13 and before January 1, 2017, as a result of
14 damage sustained by reason of the severe
15 storms and flooding giving rise to the Presi-
16 dential declaration described in section 2(1).

17 (2) ELIGIBLE EMPLOYEE.—The term “eligible
18 employee” means with respect to an eligible em-
19 ployer an employee whose principal place of employ-
20 ment on the applicable disaster date, with such eligi-
21 ble employer was in a core disaster area.

22 (3) QUALIFIED WAGES.—The term “qualified
23 wages” means wages (as defined in section 51(c)(1)
24 of such Code, but without regard to section
25 3306(b)(2)(B) of such Code) paid or incurred by an

1 eligible employer with respect to an eligible employee
2 on or after the applicable disaster date, and before
3 January 1, 2017, which occurs during the period—

4 (A) beginning on the date on which the
5 trade or business described in paragraph (1)
6 first became inoperable at the principal place of
7 employment of the employee immediately before
8 the severe storms and flooding giving rise to the
9 Presidential declaration described in section
10 2(1), and

11 (B) ending on the date on which such
12 trade or business has resumed significant oper-
13 ations at such principal place of employment.

14 Such term shall include wages paid without regard
15 to whether the employee performs no services, per-
16 forms services at a different place of employment
17 than such principal place of employment, or per-
18 forms services at such principal place of employment
19 before significant operations have resumed.

20 (c) CREDIT NOT ALLOWED FOR LARGE BUSI-
21 NESSES.—The term “eligible employer” shall not include
22 any trade or business for any taxable year if such trade
23 or business employed an average of more than 200 em-
24 ployees on business days during the taxable year.

1 (d) CERTAIN RULES TO APPLY.—For purposes of
 2 this section, rules similar to the rules of sections 51(i)(1),
 3 52, and 280C(a) of such Code shall apply.

4 (e) EMPLOYEE NOT TAKEN INTO ACCOUNT MORE
 5 THAN ONCE.—An employee shall not be treated as an eli-
 6 gible employee for purposes of this section for any period
 7 with respect to any employer if such employer is allowed
 8 a credit under section 51 of such Code with respect to
 9 such employee for such period.

10 (f) CREDIT TO BE PART OF GENERAL BUSINESS
 11 CREDIT.—The credit allowed under this section shall be
 12 added to the current year business credit under section
 13 38(b) of such Code and shall be treated as a credit allowed
 14 under subpart D of part IV of subchapter A of chapter
 15 1 of such Code.

16 **TITLE III—CHARITABLE GIVING** 17 **INCENTIVES**

18 **SEC. 301. TEMPORARY SUSPENSION OF LIMITATIONS ON** 19 **CHARITABLE CONTRIBUTIONS.**

20 (a) IN GENERAL.—Except as otherwise provided in
 21 subsection (b), section 170(b) of the Internal Revenue
 22 Code of 1986 shall not apply to qualified contributions and
 23 such contributions shall not be taken into account for pur-
 24 poses of applying subsections (b) and (d) of section 170
 25 of such Code to other contributions.

1 (b) TREATMENT OF EXCESS CONTRIBUTIONS.—For
2 purposes of section 170 of such Code—

3 (1) INDIVIDUALS.—In the case of an indi-
4 vidual—

5 (A) LIMITATION.—Any qualified contribu-
6 tion shall be allowed only to the extent that the
7 aggregate of such contributions does not exceed
8 the excess of the taxpayer's contribution base
9 (as defined in subparagraph (F) of section
10 170(b)(1) of such Code) over the amount of all
11 other charitable contributions allowed under
12 such section 170(b)(1).

13 (B) CARRYOVER.—If the aggregate
14 amount of qualified contributions made in the
15 contribution year (within the meaning of section
16 170(d)(1) of such Code) exceeds the limitation
17 of subparagraph (A), such excess shall be added
18 to the excess described in the portion of sub-
19 paragraph (A) of such section which precedes
20 clause (i) thereof for purposes of applying such
21 section.

22 (2) CORPORATIONS.—In the case of a corpora-
23 tion—

24 (A) LIMITATION.—Any qualified contribu-
25 tion shall be allowed only to the extent that the

1 aggregate of such contributions does not exceed
2 the excess of the taxpayer's taxable income (as
3 determined under paragraph (2) of section
4 170(b) of such Code) over the amount of all
5 other charitable contributions allowed under
6 such paragraph.

7 (B) CARRYOVER.—Rules similar to the
8 rules of paragraph (1)(B) shall apply for pur-
9 poses of this paragraph.

10 (c) EXCEPTION TO OVERALL LIMITATION ON
11 ITEMIZED DEDUCTIONS.—So much of any deduction al-
12 lowed under section 170 of such Code as does not exceed
13 the qualified contributions paid during the taxable year
14 shall not be treated as an itemized deduction for purposes
15 of section 68 of such Code.

16 (d) QUALIFIED CONTRIBUTIONS.—

17 (1) IN GENERAL.—For purposes of this section,
18 the term “qualified contribution” means any chari-
19 table contribution (as defined in section 170(c) of
20 such Code)—

21 (A) paid during the period beginning on
22 the applicable disaster date, and ending on De-
23 cember 31, 2016, in cash to an organization de-
24 scribed in section 170(b)(1)(A) of such Code

1 (other than an organization described in section
2 509(a)(3) of such Code),

3 (B) in the case of a contribution paid by
4 a corporation, such contribution is for relief ef-
5 forts related to the severe storms and flooding
6 giving rise to the Presidential declaration de-
7 scribed in section 2(1), and

8 (C) with respect to which the taxpayer has
9 elected the application of this section.

10 (2) EXCEPTION.—Such term shall not include a
11 contribution if the contribution is for establishment
12 of a new, or maintenance in an existing, segregated
13 fund or account with respect to which the donor (or
14 any person appointed or designated by such donor)
15 has, or reasonably expects to have, advisory privi-
16 leges with respect to distributions or investments by
17 reason of the donor’s status as a donor.

18 (3) APPLICATION OF ELECTION TO PARTNER-
19 SHIPS AND S CORPORATIONS.—In the case of a part-
20 nership or S corporation, the election under para-
21 graph (1)(C) shall be made separately by each part-
22 ner or shareholder.

1 **SEC. 302. ADDITIONAL EXEMPTION FOR HOUSING LOU-**
2 **ISIANA STORM AND FLOOD DISPLACED INDIVIDUALS.**
3

4 (a) IN GENERAL.—In the case of taxable years of a
5 natural person beginning in 2016 or 2017, for purposes
6 of the Internal Revenue Code of 1986, taxable income
7 shall be reduced by \$600 for each Louisiana storm and
8 flood displaced individual of the taxpayer for the taxable
9 year.

10 (b) LIMITATIONS.—

11 (1) DOLLAR LIMITATION.—The reduction under
12 subsection (a) shall not exceed \$2,500, reduced by
13 the amount of the reduction under this section for
14 all prior taxable years.

15 (2) INDIVIDUALS TAKEN INTO ACCOUNT ONLY
16 ONCE.—An individual shall not be taken into ac-
17 count under subsection (a) if such individual was
18 taken into account under such subsection by the tax-
19 payer for any prior taxable year.

20 (3) IDENTIFYING INFORMATION REQUIRED.—
21 An individual shall not be taken into account under
22 subsection (a) for a taxable year unless the taxpayer
23 identification number of such individual is included
24 on the return of the taxpayer for such taxable year.

25 (c) LOUISIANA STORM AND FLOOD DISPLACED INDIVIDUAL.—For purposes of this section, the term “Lou-
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1 isiana storm and flood displaced individual” means, with
2 respect to any taxpayer for any taxable year, any natural
3 person if—

4 (1) such person’s principal place of abode on
5 the applicable disaster date, was in the Louisiana
6 storm and flood disaster area,

7 (2)(A) in the case of such an abode located in
8 the core disaster area, such person is displaced from
9 such abode, or

10 (B) in the case of such an abode located outside
11 of the core disaster area, such person is displaced
12 from such abode, and—

13 (i) such abode was damaged by the severe
14 storms and flooding giving rise to the Presi-
15 dential declaration described in section 2(1), or

16 (ii) such person was evacuated from such
17 abode by reason of such storms and flooding,
18 and

19 (3) such person is provided housing free of
20 charge by the taxpayer in the principal residence of
21 the taxpayer for a period of 60 consecutive days
22 which ends in such taxable year.

23 Such term shall not include the spouse or any dependent
24 of the taxpayer.

1 (d) COMPENSATION FOR HOUSING.—No deduction
2 shall be allowed under this section if the taxpayer receives
3 any rent or other amount (from any source) in connection
4 with the providing of such housing.

5 **SEC. 303. INCREASE IN STANDARD MILEAGE RATE FOR**
6 **CHARITABLE USE OF VEHICLES.**

7 Notwithstanding section 170(i) of the Internal Rev-
8 enue Code of 1986, for purposes of computing the deduc-
9 tion under section 170 of such Code for use of a vehicle
10 described in subsection (f)(12)(E)(i) of such section for
11 provision of relief during the period beginning on the ap-
12 plicable disaster date, and ending on December 31, 2017,
13 and related to the severe storms and flooding giving rise
14 to the Presidential declaration described in section 2(1),
15 the standard mileage rate shall be 70 percent of the stand-
16 ard mileage rate in effect under section 162(a) of such
17 Code at the time of such use. Any increase under this sec-
18 tion shall be rounded to the next highest cent.

19 **SEC. 304. MILEAGE REIMBURSEMENTS TO CHARITABLE**
20 **VOLUNTEERS EXCLUDED FROM GROSS IN-**
21 **COME.**

22 (a) IN GENERAL.—For purposes of the Internal Rev-
23 enue Code of 1986, gross income of an individual for tax-
24 able years ending on or after the applicable disaster date,
25 does not include amounts received, from an organization

1 described in section 170(c) of such Code, as reimburse-
2 ment of operating expenses with respect to use of a pas-
3 senger automobile for the benefit of such organization in
4 connection with providing relief during the period begin-
5 ning on the applicable disaster date, and ending on De-
6 cember 31, 2017, and relating to the severe storms and
7 flooding giving rise to the Presidential declaration de-
8 scribed in section 2(1). The preceding sentence shall apply
9 only to the extent that the expenses which are reimbursed
10 would be deductible under chapter 1 of such Code if sec-
11 tion 274(d) of such Code were applied—

12 (1) by using the standard business mileage rate
13 in effect under section 162(a) at the time of such
14 use, and

15 (2) as if the individual were an employee of an
16 organization not described in section 170(c) of such
17 Code.

18 (b) APPLICATION TO VOLUNTEER SERVICES
19 ONLY.—Subsection (a) shall not apply with respect to any
20 expenses relating to the performance of services for com-
21 pensation.

22 (c) NO DOUBLE BENEFIT.—No deduction or credit
23 shall be allowed under any other provision of such Code
24 with respect to the expenses excludable from gross income
25 under subsection (a).

1 **SEC. 305. CHARITABLE DEDUCTION FOR CONTRIBUTIONS**
 2 **OF BOOK INVENTORIES TO PUBLIC SCHOOLS.**

3 (a) IN GENERAL.—Section 170(e)(3)(D)(iv) of the
 4 Internal Revenue Code of 1986 is amended to read as fol-
 5 lows:

6 “(i) TERMINATION.—This subpara-
 7 graph shall not apply to contributions
 8 made—

9 “(I) after December 31, 2016,
 10 and before the applicable disaster date
 11 (as defined in section 2(3) of the Lou-
 12 isiana Flood and Storm Devastation
 13 Tax Relief Act of 2016), or

14 “(II) after December 31, 2016.”.

15 (b) EFFECTIVE DATE.—The amendments made by
 16 this section shall apply to contributions made on or after
 17 the applicable disaster date, in taxable years ending after
 18 such date.

19 **TITLE IV—ADDITIONAL TAX**
 20 **RELIEF PROVISIONS**

21 **SEC. 401. EXCLUSIONS OF CERTAIN CANCELLATIONS OF IN-**
 22 **DEBTEDNESS BY REASON OF 2016 LOUISIANA**
 23 **STORMS AND FLOODING.**

24 (a) IN GENERAL.—For purposes of the Internal Rev-
 25 enue Code of 1986, gross income shall not include any
 26 amount which (but for this section) would be includible

1 in gross income by reason of the discharge (in whole or
 2 in part) of indebtedness of a natural person described in
 3 subsection (b) by an applicable entity (as defined in sec-
 4 tion 6050P(c)(1) of such Code).

5 (b) PERSONS DESCRIBED.—A natural person is de-
 6 scribed in this subsection if the principal place of abode
 7 of such person on the applicable disaster date, was lo-
 8 cated—

9 (1) in the core disaster area, or

10 (2) in the Louisiana storm and flood disaster
 11 area (but outside the core disaster area) and such
 12 person suffered economic loss by reason of the se-
 13 vere storms and flooding giving rise to the Presi-
 14 dential declaration described in section 2(1).

15 (c) EXCEPTIONS.—

16 (1) BUSINESS INDEBTEDNESS.—Subsection (a)
 17 shall not apply to any indebtedness incurred in con-
 18 nection with a trade or business.

19 (2) REAL PROPERTY OUTSIDE CORE DISASTER
 20 AREA.—Subsection (a) shall not apply to any dis-
 21 charge of indebtedness to the extent that real prop-
 22 erty constituting security for such indebtedness is lo-
 23 cated outside of the Louisiana storm and flood dis-
 24 aster area.

1 (d) DENIAL OF DOUBLE BENEFIT.—For purposes of
 2 the Internal Revenue Code of 1986, the amount excluded
 3 from gross income under subsection (a) shall be treated
 4 in the same manner as an amount excluded under section
 5 108(a) of such Code.

6 (e) EFFECTIVE DATE.—This section shall apply to
 7 discharges made on or after the applicable disaster date,
 8 and before January 1, 2018.

9 **SEC. 402. SUSPENSION OF CERTAIN LIMITATIONS ON PER-**
 10 **SONAL CASUALTY LOSSES.**

11 Paragraphs (1) and (2)(A) of section 165(h) of the
 12 Internal Revenue Code of 1986 shall not apply to losses
 13 described in section 165(c)(3) of such Code which arise
 14 in the Louisiana storm and flood disaster area on or after
 15 the applicable disaster date, and which are attributable to
 16 the severe storms and flooding giving rise to the Presi-
 17 dential declaration described in section 2(1). In the case
 18 of any other losses, section 165(h)(2)(A) of such Code
 19 shall be applied without regard to the losses referred to
 20 in the preceding sentence.

21 **SEC. 403. REQUIRED EXERCISE OF AUTHORITY UNDER SEC-**
 22 **TION 7508A FOR TAX RELIEF RELATING TO**
 23 **2016 LOUISIANA STORMS AND FLOODING.**

24 (a) IN GENERAL.—In the case of any taxpayer deter-
 25 mined by the Secretary of the Treasury to be affected by

1 the Presidentially declared disaster relating to the severe
 2 storms and flooding giving rise to the Presidential declara-
 3 tion described in section 2(1), any relief provided by the
 4 Secretary of the Treasury under section 7508A of the In-
 5 ternal Revenue Code of 1986 shall be for a period ending
 6 not earlier than February 10, 2017, and shall be treated
 7 as applying to the filing of returns relating to, and the
 8 payment of, employment and excise taxes.

9 (b) EFFECTIVE DATE.—The amendment made by
 10 subsection (a) shall apply for any period for performing
 11 an act which has not expired before the applicable disaster
 12 date.

13 **SEC. 404. SPECIAL RULES FOR MORTGAGE REVENUE**
 14 **BONDS RELATING TO 2016 LOUISIANA**
 15 **STORMS AND FLOODING.**

16 (a) IN GENERAL.—In the case of financing provided
 17 with respect to a qualified Louisiana storm and flood re-
 18 covery residence, section 143(d) of the Internal Revenue
 19 Code of 1986 shall be applied as if such residence were
 20 a targeted area residence.

21 (b) QUALIFIED LOUISIANA STORMS AND FLOODING
 22 RECOVERY RESIDENCE.—For purposes of this section, the
 23 term “qualified Louisiana storm and flood recovery resi-
 24 dence” means—

25 (1) any residence in the core disaster area, and

1 (2) any other residence if—

2 (A) such other residence is located in the
3 same State as the principal residence referred
4 to in subparagraph (B), and

5 (B) the mortgagor with respect to such
6 other residence owned a principal residence on
7 the applicable disaster date, which—

8 (i) was located in the Louisiana storm
9 and flood disaster area, and

10 (ii) was rendered uninhabitable by
11 reason of the severe storms and flooding
12 giving rise to the Presidential declaration
13 described in section 2(1).

14 (c) SPECIAL RULE FOR HOME IMPROVEMENT
15 LOANS.—In the case of any loan with respect to a resi-
16 dence in the Louisiana storm and flood disaster area, sec-
17 tion 143(k)(4) of such Code shall be applied by sub-
18 stituting \$150,000 for the dollar amount contained there-
19 in to the extent such loan is for the repair of damage by
20 reason of the severe storms and flooding giving rise to the
21 Presidential declaration described in section 2(1).

22 (d) APPLICATION.—Subsection (a) shall not apply to
23 financing provided after December 31, 2018.

1 **SEC. 405. EXTENSION OF REPLACEMENT PERIOD FOR NON-**
2 **RECOGNITION OF GAIN FOR PROPERTY LO-**
3 **CATED IN LOUISIANA STORM AND FLOOD**
4 **DISASTER AREA.**

5 Section 1033(a)(2)(B)(i) of the Internal Revenue
6 Code of 1986 shall be applied by substituting “5 years”
7 for “2 years” with respect to property in the Louisiana
8 storm and flood disaster area which is compulsorily or in-
9 voluntarily converted on or after the applicable disaster
10 date, by reason of the severe storms and flooding giving
11 rise to the Presidential declaration described in section
12 2(1), but only if substantially all of the use of the replace-
13 ment property is in such area.

14 **SEC. 406. SPECIAL RULE FOR DETERMINING EARNED IN-**
15 **COME.**

16 (a) IN GENERAL.—In the case of a qualified indi-
17 vidual, if the earned income of the taxpayer for the taxable
18 year which includes the applicable disaster date, is less
19 than the earned income of the taxpayer for the preceding
20 taxable year, the credits allowed under sections 24(d) and
21 32 of the Internal Revenue Code of 1986 may, at the elec-
22 tion of the taxpayer, be determined by substituting—

23 (1) such earned income for the preceding tax-
24 able year, for

25 (2) such earned income for the taxable year
26 which includes the applicable disaster date.

1 (b) QUALIFIED INDIVIDUAL.—For purposes of this
2 section, the term “qualified individual” means any indi-
3 vidual whose principal place of abode on the applicable dis-
4 aster date, was located—

5 (1) in the core disaster area, or

6 (2) in the Louisiana storm and flood disaster
7 area (but outside the core disaster area) and such
8 individual was displaced from such principal place of
9 abode by reason of the severe storms and flooding
10 giving rise to the Presidential declaration described
11 in section 2(1).

12 (c) EARNED INCOME.—For purposes of this section,
13 the term “earned income” has the meaning given such
14 term under section 32(c) of such Code.

15 (d) SPECIAL RULES.—

16 (1) APPLICATION TO JOINT RETURNS.—For
17 purposes of subsection (a), in the case of a joint re-
18 turn for a taxable year which includes the applicable
19 disaster date—

20 (A) such subsection shall apply if either
21 spouse is a qualified individual, and

22 (B) the earned income of the taxpayer for
23 the preceding taxable year shall be the sum of
24 the earned income of each spouse for such pre-
25 ceding taxable year.

1 (2) UNIFORM APPLICATION OF ELECTION.—

2 Any election made under subsection (a) shall apply
3 with respect to both section 24(d) and section 32 of
4 such Code.

5 (3) ERRORS TREATED AS MATHEMATICAL
6 ERROR.—For purposes of section 6213 of such
7 Code, an incorrect use on a return of earned income
8 pursuant to subsection (a) shall be treated as a
9 mathematical or clerical error.

10 (4) NO EFFECT ON DETERMINATION OF GROSS
11 INCOME, ETC.—Except as otherwise provided in this
12 section, the Internal Revenue Code of 1986 shall be
13 applied without regard to any substitution under
14 subsection (a).

15 **SEC. 407. SECRETARIAL AUTHORITY TO MAKE ADJUST-**
16 **MENTS REGARDING TAXPAYER AND DEPEND-**
17 **ENCY STATUS.**

18 With respect to taxable years beginning in 2016 or
19 2017, the Secretary of the Treasury or the Secretary's del-
20 egate may make such adjustments in the application of
21 the internal revenue laws as may be necessary to ensure
22 that taxpayers do not lose any deduction or credit or expe-
23 rience a change of filing status by reason of temporary
24 relocations by reason of the severe storms and flooding
25 giving rise to the Presidential declaration described in sec-

tion 2(1). Any adjustments made under the preceding sentence shall ensure that an individual is not taken into account by more than one taxpayer with respect to the same tax benefit.

SEC. 408. LOW-INCOME HOUSING CREDIT.

(a) ADDITIONAL HOUSING CREDIT DOLLAR AMOUNT.—

(1) IN GENERAL.—For purposes of section 42 of the Internal Revenue Code of 1986, in the case of calendar years 2017, 2018, and 2019, the State housing credit ceiling of Louisiana shall be increased by the lesser of—

(A) the aggregate housing credit dollar amount allocated by the State housing credit agency of Louisiana to buildings located in the Louisiana storm and flood disaster area for such calendar year, or

(B) the Louisiana storm and flood housing amount for such State for such calendar year.

(2) LOUISIANA STORM AND FLOOD HOUSING AMOUNT.—For purposes of paragraph (1), the term “Louisiana storm and flood housing amount” means, for any calendar year, the amount equal to the product of \$18.00 multiplied by the portion of the Louisiana population which is in the Louisiana

1 storm and flood disaster area (as determined on the
2 basis of the most recent census estimate of resident
3 population released by the Bureau of the Census be-
4 fore August 28, 2016).

5 (3) ALLOCATIONS TREATED AS MADE FIRST
6 FROM ADDITIONAL ALLOCATION AMOUNT FOR PUR-
7 POSES OF DETERMINING CARRYOVER.—For pur-
8 poses of determining the unused State housing cred-
9 it ceiling under section 42(h)(3)(C) of such Code for
10 any calendar year, any increase in the State housing
11 credit ceiling under paragraph (1) shall be treated
12 as an amount described in clause (ii) of such section.

13 (b) ADDITIONAL HOUSING CREDIT DOLLAR AMOUNT
14 FOR LOUISIANA.—For purposes of section 42 of such
15 Code, in the case of calendar year 2017, the State housing
16 credit ceiling of Louisiana shall each be increased by
17 \$3,500,000.

18 (c) DIFFICULT DEVELOPMENT AREA.—

19 (1) IN GENERAL.—For purposes of section 42
20 of such Code, in the case of property placed in serv-
21 ice during the period beginning on January 1, 2017,
22 and ending on December 31, 2021, the Louisiana
23 storm and flood disaster area—

1 (A) shall be treated as difficult develop-
 2 ment areas designated under subclause (I) of
 3 section 42(d)(5)(B)(iii) of such Code, and

4 (B) shall not be taken into account for
 5 purposes of applying the limitation under sub-
 6 clause (II) of such section.

7 (2) APPLICATION.—Paragraph (1) shall apply
 8 only to—

9 (A) housing credit dollar amounts allocated
 10 during the period beginning on January 1,
 11 2017, and ending on December 31, 2019, and

12 (B) buildings placed in service during the
 13 period described in paragraph (1) to the extent
 14 that paragraph (1) of section 42(h) does not
 15 apply to any building by reason of paragraph
 16 (4) thereof, but only with respect to bonds
 17 issued after December 31, 2016.

18 (d) SPECIAL RULE FOR APPLYING INCOME TESTS.—
 19 In the case of property placed in service—

20 (1) during 2017, 2018, or 2019,

21 (2) in the Louisiana storm and flood disaster
 22 area, and

23 (3) in a nonmetropolitan area (as defined in
 24 section 42(d)(5)(B)(iv)(IV)),

1 section 42 of such Code shall be applied by substituting
 2 “national nonmetropolitan median gross income (deter-
 3 mined under rules similar to the rules of section
 4 142(d)(2)(B))” for “area median gross income” in sub-
 5 paragraphs (A) and (B) of section 42(g)(1) of such Code.

6 (e) DEFINITIONS.—Any term used in this section
 7 which is also used in section 42 shall have the same mean-
 8 ing as when used in such section.

9 **SEC. 409. APPLICATION OF NEW MARKETS TAX CREDIT TO**
 10 **INVESTMENTS IN COMMUNITY DEVELOP-**
 11 **MENT ENTITIES SERVING LOUISIANA STORM**
 12 **AND FLOOD DISASTER AREA.**

13 For purposes of section 45D of the Internal Revenue
 14 Code of 1986—

15 (1) a qualified community development entity
 16 shall be eligible for an allocation under subsection
 17 (f)(2) thereof of the increase in the new markets tax
 18 credit limitation described in paragraph (2) only if
 19 a significant mission of such entity is the recovery
 20 and redevelopment of the Louisiana storm and flood
 21 disaster area,

22 (2) the new markets tax credit limitation other-
 23 wise determined under subsection (f)(1) thereof shall
 24 be increased by an amount equal to—

1 (A) \$300,000,000 for 2016 and 2017, to
 2 be allocated among qualified community devel-
 3 opment entities to make qualified low-income
 4 community investments within the Louisiana
 5 storm and flood disaster area, and

6 (B) \$400,000,000 for 2018, to be so allo-
 7 cated, and

8 (3) subsection (f)(3) thereof shall be applied
 9 separately with respect to the amount of the increase
 10 under paragraph (2).

11 **SEC. 410. TAX-EXEMPT BOND FINANCING.**

12 (a) IN GENERAL.—For purposes of the Internal Rev-
 13 enue Code of 1986—

14 (1) any qualified Louisiana storm and flood dis-
 15 aster area bond described in paragraph (2)(A)(i)
 16 shall be treated as an exempt facility bond, and

17 (2) any qualified Louisiana storm and flood dis-
 18 aster area bond described in paragraph (2)(A)(ii)
 19 shall be treated as a qualified mortgage bond.

20 (b) QUALIFIED LOUISIANA STORM AND FLOOD DIS-
 21 ASTER AREA BOND.—For purposes of this subsection, the
 22 term “qualified Louisiana storm and flood disaster area
 23 bond” means any bond issued as part of an issue if—

24 (1)(A) 95 percent or more of the net proceeds
 25 (as defined in section 150(a)(3) of such Code) of

1 such issue are to be used for qualified project costs,
2 or

3 (B) such issue meets the requirements of a
4 qualified mortgage issue, except as otherwise pro-
5 vided in this subsection,

6 (2) such bond is issued by Louisiana, or any
7 political subdivision thereof,

8 (3) such bond is designated for purposes of this
9 section by—

10 (A) in the case of a bond which is required
11 under State law to be approved by the bond
12 commission of Louisiana, such bond commis-
13 sion, and

14 (B) in the case of any other bond, the Gov-
15 ernor of Louisiana,

16 (4) such bond is issued after the date of the en-
17 actment of this section and before January 1, 2023,
18 and

19 (5) no portion of the proceeds of such issue is
20 to be used to provide any property described in sec-
21 tion 144(c)(6)(B) of such Code.

22 (c) LIMITATION ON BONDS.—

23 (1) AGGREGATE AMOUNT DESIGNATED.—The
24 maximum aggregate face amount of bonds which
25 may be designated under this subsection with re-

1 spect to any State shall not exceed the product of
2 \$2,500 multiplied by the portion of the Louisiana
3 population which is in the Louisiana storm and flood
4 disaster area (as determined on the basis of the
5 most recent census estimate of resident population
6 released by the Bureau of the Census before August
7 28, 2016).

8 (2) MOVABLE PROPERTY.—No bonds shall be
9 issued which are to be used for movable fixtures and
10 equipment.

11 (d) QUALIFIED PROJECT COSTS.—For purposes of
12 this subsection, the term “qualified project costs”
13 means—

14 (1) the cost of any qualified residential rental
15 project (as defined in section 142(d) of such Code)
16 located in the Louisiana storm and flood disaster
17 area, and

18 (2) the cost of acquisition, construction, recon-
19 struction, and renovation of—

20 (A) nonresidential real property (including
21 fixed improvements associated with such prop-
22 erty) located in the Louisiana storm and flood
23 disaster area, and

1 (B) public utility property (as defined in
2 section 168(i)(10) of such Code) located in the
3 Louisiana storm and flood disaster area.

4 (e) SPECIAL RULES.—In applying this title to any
5 qualified Louisiana storm and flood disaster area bond,
6 the following modifications shall apply:

7 (1) Section 142(d)(1) of such Code (defining
8 qualified residential rental project) shall be ap-
9 plied—

10 (A) by substituting “60 percent” for “50
11 percent” in subparagraph (A) thereof, and

12 (B) by substituting “70 percent” for “60
13 percent” in subparagraph (B) thereof.

14 (2) Section 143 of such Code (relating to mort-
15 gage revenue bonds: qualified mortgage bond and
16 qualified veterans’ mortgage bond) shall be ap-
17 plied—

18 (A) only with respect to owner-occupied
19 residences in the Louisiana storm and flood dis-
20 aster area,

21 (B) by treating any such residence in the
22 Louisiana storm and flood disaster area as a
23 targeted area residence,

1 (C) by applying subsection (f)(3) thereof
2 without regard to subparagraph (A) thereof,
3 and

4 (D) by substituting “\$150,000” for
5 “\$15,000” in subsection (k)(4) thereof.

6 (3) Except as provided in section 143 of such
7 Code, repayments of principal on financing provided
8 by the issue of which such bond is a part may not
9 be used to provide financing.

10 (4) Section 146 of such Code (relating to vol-
11 ume cap) shall not apply.

12 (5) Section 147(d)(2) of such Code (relating to
13 acquisition of existing property not permitted) shall
14 be applied by substituting “50 percent” for “15 per-
15 cent” each place it appears.

16 (6) Section 148(f)(4)(C) of such Code (relating
17 to exception from rebate for certain proceeds to be
18 used to finance construction expenditures) shall
19 apply to the available construction proceeds of bonds
20 which are part of an issue described in subsection
21 (b)(1)(A).

22 (7) Section 57(a)(5) of such Code (relating to
23 tax-exempt interest) shall not apply.

24 (f) SPECIAL RULE FOR REPAIRS AND RECONSTRUC-
25 TIONS.—

1 (1) IN GENERAL.—For purposes of section 143
2 of the Internal Revenue Code of 1986 and this sec-
3 tion, any qualified Louisiana storm and flood dis-
4 aster area repair or reconstruction shall be treated
5 as a qualified rehabilitation.

6 (2) QUALIFIED LOUISIANA STORM AND FLOOD
7 DISASTER AREA REPAIR OR RECONSTRUCTION.—For
8 purposes of subparagraph (A), the term “qualified
9 Louisiana storm and flood disaster area repair or re-
10 construction” means any repair of damage caused by
11 the severe storms and flooding giving rise to the
12 Presidential declaration described in section 2(1) (or
13 reconstruction of such building in the case of dam-
14 age constituting destruction) if the expenditures for
15 such repair or reconstruction are 25 percent or more
16 of the mortgagor’s adjusted basis in the residence.
17 For purposes of the preceding sentence, the mortga-
18 gor’s adjusted basis shall be determined as of the
19 completion of the repair or reconstruction or, if
20 later, the date on which the mortgagor acquires the
21 residence.

22 (3) TERMINATION.—This paragraph shall apply
23 only to owner-financing provided after the date of
24 the enactment of this subsection and before January
25 1, 2023.

1 **SEC. 411. EXPENSING FOR CERTAIN DEMOLITION AND**
2 **CLEAN-UP COSTS.**

3 (a) IN GENERAL.—A taxpayer may elect to treat 50
4 percent of any qualified Louisiana storm and flood dis-
5 aster area clean-up cost as an expense which is not charge-
6 able to capital account. Any cost so treated shall be al-
7 lowed as a deduction for the taxable year in which such
8 cost is paid or incurred.

9 (b) QUALIFIED LOUISIANA STORM AND FLOOD DIS-
10 ASTER AREA CLEAN-UP COST.—For purposes of this sub-
11 section, the term “qualified Louisiana storm and flood dis-
12 aster area clean-up cost” means any amount paid or in-
13 curred during the period beginning on the applicable dis-
14 aster date, and ending on December 31, 2018, for the re-
15 moval of debris from, or the demolition of structures on,
16 real property which is located in the Louisiana storm and
17 flood disaster area and which is—

18 (1) held by the taxpayer for use in a trade or
19 business or for the production of income, or

20 (2) property described in section 1221(a)(1) in
21 the hands of the taxpayer.

22 For purposes of the preceding sentence, amounts paid or
23 incurred shall be taken into account only to the extent that
24 such amount would (but for subsection (a)) be chargeable
25 to capital account.

1 **SEC. 412. EXTENSION OF EXPENSING FOR ENVIRON-**
 2 **MENTAL REMEDIATION COSTS.**

3 With respect to any qualified environmental remedi-
 4 ation expenditure (as defined in section 198(b)) paid or
 5 incurred on or after the applicable disaster date, in con-
 6 nection with a qualified contaminated site located in the
 7 Louisiana storm and flood disaster area, section 198 (re-
 8 lating to expensing of environmental remediation costs)
 9 shall be applied—

- 10 (1) in the case of expenditures paid or incurred
 11 on or after the applicable disaster date, and before
 12 January 1, 2019, by substituting “December 31,
 13 2018” for the date contained in section 198(h), and
 14 (2) except as provided in section 198(d)(2), by
 15 treating petroleum products (as defined in section
 16 4612(a)(3)) as a hazardous substance.

17 **SEC. 413. TREATMENT OF NET OPERATING LOSSES ATTRIB-**
 18 **UTABLE TO LOUISIANA STORM AND FLOOD**
 19 **DISASTER AREA LOSSES.**

20 (a) IN GENERAL.—If a portion of any net operating
 21 loss of the taxpayer for any taxable year is a qualified
 22 Louisiana storm and flood disaster area loss, the following
 23 rules shall apply:

- 24 (1) EXTENSION OF CARRYBACK PERIOD.—Sec-
 25 tion 172(b)(1) of the Internal Revenue Code of 1986
 26 shall be applied with respect to such portion—

1 (A) by substituting “5 taxable years” for
 2 “2 taxable years” in subparagraph (A)(i) there-
 3 of, and

4 (B) by not taking such portion into ac-
 5 count in determining any eligible loss of the
 6 taxpayer under subparagraph (F) thereof for
 7 the taxable year.

8 (2) SUSPENSION OF 90 PERCENT AMT LIMITA-
 9 TION.—Section 56(d)(1) of such Code shall be ap-
 10 plied by increasing the amount determined under
 11 subparagraph (A)(ii)(I) thereof by the sum of the
 12 carrybacks and carryovers of any net operating loss
 13 attributable to such portion.

14 (b) QUALIFIED LOUISIANA STORM AND FLOOD DIS-
 15 ASTER AREA LOSS.—

16 (1) IN GENERAL.—For purposes of subsection
 17 (a), the term “qualified Louisiana storm and flood
 18 disaster area loss” means the lesser of—

19 (A) the excess of—

20 (i) the net operating loss for such tax-
 21 able year, over

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

1 (B) the aggregate amount of the following
2 deductions to the extent taken into account in
3 computing the net operating loss for such tax-
4 able year:

5 (i) Any deduction for any qualified
6 Louisiana storm and flood disaster area
7 casualty loss.

8 (ii) Any deduction for moving ex-
9 penses paid or incurred after the applicable
10 disaster date, and before January 1, 2019,
11 and allowable under this chapter to any
12 taxpayer in connection with the employ-
13 ment of any individual—

14 (I) whose principal place of abode
15 was located in the Louisiana storm
16 and flood disaster area before the ap-
17 plicable disaster date,

18 (II) who was unable to remain in
19 such abode as the result of the severe
20 storms and flooding giving rise to the
21 Presidential declaration described in
22 section 2(1), and

23 (III) whose principal place of em-
24 ployment with the taxpayer after such

1 expense is located in the Louisiana
2 storm and flood disaster area.

3 For purposes of this subparagraph, the
4 term “moving expenses” has the meaning
5 given such term by section 217(b) of such
6 Code, except that the taxpayer’s former
7 residence and new residence may be the
8 same residence if the initial vacating of the
9 residence was as the result of the severe
10 storms and flooding giving rise to the
11 Presidential declaration described in sec-
12 tion 2(1).

13 (iii) Any deduction allowable under
14 this chapter for expenses paid or incurred
15 on or after the applicable disaster date,
16 and before January 1, 2019, to tempo-
17 rarily house any employee of the taxpayer
18 whose principal place of employment is in
19 the Louisiana storm and flood disaster
20 area.

21 (iv) Any deduction for depreciation
22 (or amortization in lieu of depreciation) al-
23 lowable under this chapter with respect to
24 any qualified Louisiana storm and flood

disaster area property for the taxable year
such property is placed in service.

(v) Any deduction allowable under this
chapter for repair expenses (including ex-
penses for removal of debris) paid or in-
curred on or after the applicable disaster
date, and before January 1, 2019, with re-
spect to any damage attributable to the se-
vere storms and flooding giving rise to the
Presidential declaration described in sec-
tion 2(1) and in connection with property
which is located in the Louisiana storm
and flood disaster area.

(2) QUALIFIED LOUISIANA STORM AND FLOOD
DISASTER AREA PROPERTY.—For purposes of this
subsection—

(A) IN GENERAL.—The term “qualified
Louisiana storm and flood disaster area prop-
erty” means property—

(i)(I) which is described in section
168(k)(2)(A)(i) of the Internal Revenue
Code of 1986, or

(II) which is nonresidential real prop-
erty or residential rental property,

1 (ii) substantially all of the use of
2 which is in the Louisiana storm and flood
3 disaster area and is in the active conduct
4 of a trade or business by the taxpayer in
5 such area,

6 (iii) the original use of which in the
7 Louisiana storm and flood disaster area
8 commences with the taxpayer on or after
9 the applicable disaster date,

10 (iv) which is acquired by the taxpayer
11 by purchase (as defined in section 179(d)
12 of such Code) on or after the applicable
13 disaster date, but only if no written bind-
14 ing contract for the acquisition was in ef-
15 fect before the applicable disaster date,
16 and

17 (v) which is placed in service by the
18 taxpayer on or before December 31, 2018
19 (December 31, 2019, in the case of non-
20 residential real property and residential
21 rental property).

22 (B) EXCEPTIONS.—

23 (i) ALTERNATIVE DEPRECIATION
24 PROPERTY.—Such term shall not include

1 any property described in section
2 168(k)(2)(D) of such Code.

3 (ii) TAX-EXEMPT BOND-FINANCED
4 PROPERTY.—Such term shall not include
5 any property any portion of which is fi-
6 nanced with the proceeds of any obligation
7 the interest on which is exempt from tax
8 under section 103 of such Code.

9 (iii) QUALIFIED REVITALIZATION
10 BUILDINGS.—Such term shall not include
11 any qualified revitalization building with
12 respect to which the taxpayer has elected
13 the application of paragraph (1) or (2) of
14 section 1400I(a) of such Code.

15 (c) QUALIFIED LOUISIANA STORM AND FLOOD AREA
16 CASUALTY LOSS.—

17 (1) IN GENERAL.—For purposes of paragraph
18 (1)(B)(i), the term “qualified Louisiana storm and
19 flood area casualty loss” means any uncompensated
20 section 1231 loss (as defined in section
21 1231(a)(3)(B) of such Code) of property located in
22 the Louisiana storm and flood disaster area, if—

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

1 (B) such loss is by reason of the storms
2 and flooding giving rise to the Presidential dec-
3 laration described in section 2(1).

4 (2) REDUCTION FOR GAINS FROM INVOLUN-
5 TARY CONVERSION.—The amount of qualified Lou-
6 isiana storm and flood area casualty loss which
7 would (but for this paragraph) be taken into account
8 under paragraph (1) for any taxable year shall be
9 reduced by the amount of any gain recognized by the
10 taxpayer for such year from the involuntary conver-
11 sion by reason of the storms and flooding giving rise
12 to the Presidential declaration described in section
13 2(1) of property located in the Louisiana storm and
14 flood disaster area.

15 (3) COORDINATION WITH GENERAL DISASTER
16 LOSS RULES.—Section 165(i) of such Code shall not
17 apply to any qualified Louisiana storm and flood
18 disaster area casualty loss to the extent such loss is
19 taken into account under this subsection.

20 (4) SPECIAL RULES.—For purposes of para-
21 graph (1), rules similar to the rules of paragraphs
22 (2) and (3) of section 172(i) of such Code shall
23 apply with respect to such portion.

1 **SEC. 414. INCREASED EXPENSING FOR QUALIFIED TIMBER**
2 **PROPERTY.**

3 (a) IN GENERAL.—In the case of qualified timber
4 property any portion of which is located in the Louisiana
5 storm and flood disaster area, the limitation under sub-
6 paragraph (B) of section 194(b)(1) of such Code shall be
7 increased by the lesser of—

8 (1) the limitation which would (but for this sec-
9 tion) apply under such subparagraph, or

10 (2) the amount of reforestation expenditures
11 (as defined in section 194(c)(3) of such Code) paid
12 or incurred by the taxpayer with respect to such
13 qualified timber property during the specified por-
14 tion of the taxable year.

15 (b) DEFINITIONS.—For purposes of this sub-
16 section—

17 (1) SPECIFIED PORTION.—The term “specified
18 portion” means that portion of the taxable year
19 which is on or after the applicable disaster date, and
20 before January 1, 2019.

21 (2) QUALIFIED TIMBER PROPERTY.—The term
22 “qualified timber property” has the meaning given
23 such term in section 194(c)(1) of such Code.

24 **SEC. 415. DISASTER LOSS CARRYBACK.**

25 (a) IN GENERAL.—In the case of a loss occurring in
26 the Louisiana storm and flood disaster area and attrib-

1 utable to the severe storms and flooding giving rise to the
 2 Presidential declaration described in section 2(1), at the
 3 election of the taxpayer, section 165(i)(1) of the Internal
 4 Revenue Code of 1986 shall be applied by substituting
 5 “any of the 3 taxable years preceding” for “the taxable
 6 year immediately preceding”.

7 (b) SPECIAL RULES.—

8 (1) DETERMINED WITHOUT REGARD TO AD-
 9 JUSTED GROSS INCOME.—Any loss described in sub-
 10 section (a) shall be determined for the taxable year
 11 without regard to section 165(h)(2)(A) of such Code.

12 (2) TREATED AS SALE OR EXCHANGE.—Not-
 13 withstanding section 165(h)(2)(B) of such Code, any
 14 loss described in subsection (a) shall be treated as
 15 a loss from a sale or exchange of a capital asset.

16 **SEC. 416. HOUSING RELIEF FOR INDIVIDUALS AFFECTED**
 17 **BY HURRICANE KATRINA.**

18 (a) EXCLUSION OF EMPLOYER-PROVIDED HOUSING
 19 FOR INDIVIDUAL AFFECTED BY LOUISIANA STORMS AND
 20 FLOODING.—

21 (1) IN GENERAL.—Gross income of a qualified
 22 employee shall not include the value of any lodging
 23 furnished in kind to such employee (and such em-
 24 ployee’s spouse or any of such employee’s depend-

1 ents) by or on behalf of a qualified employer for any
2 month during the taxable year.

3 (2) LIMITATION.—The amount which may be
4 excluded under paragraph (1) for any month for
5 which lodging is furnished during the taxable year
6 shall not exceed \$600.

7 (3) TREATMENT OF EXCLUSION.—The exclu-
8 sion under paragraph (1) shall be treated as an ex-
9 clusion under section 119 of such Code (other than
10 for purposes of sections 3121(a)(19) and
11 3306(b)(14) of such Code).

12 (b) EMPLOYER CREDIT FOR HOUSING EMPLOYEES
13 AFFECTED BY LOUISIANA STORMS AND FLOODING.—For
14 purposes of section 38, in the case of a qualified employer,
15 the Louisiana storm and flood housing credit for any
16 month during the taxable year is an amount equal to 30
17 percent of any amount which is excludable from the gross
18 income of a qualified employee of such employer under
19 subsection (a) and not otherwise excludable under section
20 119 of such Code.

21 (c) QUALIFIED EMPLOYEE.—For purposes of this
22 section, the term “qualified employee” means, with respect
23 to any month, an individual—

24 (1) who had a principal residence (as defined in
25 section 121 of such Code) in the Louisiana storm

1 and flood disaster area on the applicable disaster
2 date, and

3 (2) who performs substantially all employment
4 services—

5 (A) in the Louisiana storm and flood dis-
6 aster area, and

7 (B) for the qualified employer which fur-
8 nishes lodging to such individual.

9 (d) QUALIFIED EMPLOYER.—For purposes of this
10 section, the term “qualified employer” means any em-
11 ployer with a trade or business located in the Louisiana
12 storm and flood disaster area.

13 (e) CERTAIN RULES TO APPLY.—For purposes of
14 this subsection, rules similar to the rules of sections
15 51(i)(1) and 52 of such Code shall apply.

16 (f) APPLICATION OF SECTION.—This section shall
17 apply to lodging furnished during the period—

18 (1) beginning on the first day of the first
19 month beginning after the date of the enactment of
20 this section, and

21 (2) ending on the date which is 6 months after
22 the first day described in paragraph (1).

23 (g) TREATED AS PART OF GENERAL BUSINESS
24 CREDIT.—The Louisiana storm and flood housing credit

- 1 determined under subsection (b) shall be treated as listed
- 2 in section 38(b) of the Internal Revenue Code of 1986.

