

Every day that passes without a comprehensive agreement means more low-income families depending on governmental assistance. It means less work and job preparation by parents. It means fewer child care and child support resources available to help families. It means more poverty. And it means more families going into debt and creating more obstacles to financial freedom. It's time to deliver on this vital legislation.

As chair of the Congressional Children's Caucus, I know that many of the people that will suffer from lack of comprehensive benefits are children. These children are not the ones who are making decisions for the family, but are the ones that are suffering from it. The government must step in and take a proactive role to see that such imbalances are set right. As we reauthorize TANF today, let's go one step further and create a working assistance program that has long term solutions.

Mr. HERGER. Mr. Speaker, I yield back the balance of my time.

Mr. CARDIN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. PETRI). The question is on the motion offered by the gentleman from California (Mr. HERGER) that the House suspend the rules and pass the bill, H.R. 1160.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. HERGER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1160.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

#### AMENDING INTERNAL REVENUE CODE OF 1986 PROVIDING FOR PROPER TAX TREATMENT OF CERTAIN DISASTER MITIGATION PAYMENTS

Mr. FOLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1134) to amend the Internal Revenue Code of 1986 to provide for the proper tax treatment of certain disaster mitigation payments.

The Clerk read as follows:

H.R. 1134

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

#### SECTION 1. PROPER TAX TREATMENT OF CERTAIN DISASTER MITIGATION PAYMENTS.

(a) QUALIFIED DISASTER MITIGATION PAYMENTS EXCLUDED FROM GROSS INCOME.—

(1) IN GENERAL.—Section 139 of the Internal Revenue Code of 1986 (relating to disaster re-

lief payments) is amended by adding at the end the following new subsections:

“(g) QUALIFIED DISASTER MITIGATION PAYMENTS.—

“(1) IN GENERAL.—Gross income shall not include any amount received as a qualified disaster mitigation payment.

“(2) QUALIFIED DISASTER MITIGATION PAYMENT DEFINED.—For purposes of this section, the term ‘qualified disaster mitigation payment’ means any amount which is paid pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (as in effect on the date of the enactment of this subsection) or the National Flood Insurance Act (as in effect on such date) to or for the benefit of the owner of any property for hazard mitigation with respect to such property. Such term shall not include any amount received for the sale or disposition of any property.

“(3) NO INCREASE IN BASIS.—Notwithstanding any other provision of this subtitle, no increase in the basis or adjusted basis of any property shall result from any amount excluded under this subsection with respect to such property.

“(h) DENIAL OF DOUBLE BENEFIT.—Notwithstanding any other provision of this subtitle, no deduction or credit shall be allowed (to the person for whose benefit a qualified disaster relief payment or qualified disaster mitigation payment is made) for, or by reason of, any expenditure to the extent of the amount excluded under this section with respect to such expenditure.”

(2) CONFORMING AMENDMENTS.—

(A) Subsection (d) of section 139 of such Code is amended by striking “a qualified disaster relief payment” and inserting “qualified disaster relief payments and qualified disaster mitigation payments”.

(B) Subsection (e) of section 139 of such Code is amended by striking “and (f)” and inserting “, (f), and (g)”.

(b) CERTAIN DISPOSITIONS OF PROPERTY UNDER HAZARD MITIGATION PROGRAMS TREATED AS INVOLUNTARY CONVERSIONS.—Section 1033 of such Code (relating to involuntary conversions) is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:

“(k) SALES OR EXCHANGES UNDER CERTAIN HAZARD MITIGATION PROGRAMS.—For purposes of this subtitle, if property is sold or otherwise transferred to the Federal Government, a State or local government, or an Indian tribal government to implement hazard mitigation under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (as in effect on the date of the enactment of this subsection) or the National Flood Insurance Act (as in effect on such date), such sale or transfer shall be treated as an involuntary conversion to which this section applies.”

(c) EFFECTIVE DATE.—

(1) QUALIFIED DISASTER MITIGATION PAYMENTS.—The amendments made by subsection (a) shall apply to amounts received after the date of the enactment of this Act.

(2) DISPOSITIONS OF PROPERTY UNDER HAZARD MITIGATION PROGRAMS.—The amendments made by subsection (b) shall apply to sales or other dispositions after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. FOLEY) and the gentleman from Maryland (Mr. CARDIN) each will control 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. FOLEY).

#### GENERAL LEAVE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FOLEY. Mr. Speaker, I yield myself such time as I may consume.

First, let me thank the gentleman from California (Mr. THOMAS), chairman of the Committee on Ways and Means, for his consideration and expeditious handling of this bill in allowing us to bring it to the floor. I will include for the RECORD the statement of the gentleman from California (Chairman THOMAS), but first let me read two paragraphs which crystallize the need for the debate.

The gentleman from California states: “Mr. Speaker, I strongly support H.R. 1134 which embodies the President’s budget proposal to provide tax relief to those who will and who have accepted Federal Emergency Management Agency disaster mitigation grants. The bill is necessary to promote effective use of the mitigation grants. These mitigation grants alleviate the severity of the damage caused by unpredictable but anticipated natural disasters. These grants save taxpayer dollars by reducing future Federal disaster relief payments resulting from such disasters.”

If I can read the last paragraph of the statement of the gentleman from California (Mr. THOMAS): “H.R. 1134 will cut taxes by \$105 million over the next decade. FEMA estimates that mitigation projects over the past several years have saved our Nation nearly \$3 billion in disaster-related costs. Clearly, when one compares the price of H.R. 1134 with what we might pay in future relief efforts, this bill is worth moving forward and passing into law.”

Mr. Speaker, I rise personally in strong support of H.R. 1134. As a member of Florida who has experienced three hurricanes which made landfall in my district and a fourth which came through the panhandle, out across North Carolina, back into the Atlantic, and made its way back to my district, my congressional district in essence suffered four disasters this past year.

I strongly support H.R. 1134 and ask and thank my colleagues on both sides of the aisle for their help and efforts in bringing this to fruition on the floor. It is a very simple bill. It simply says those taxpayers who receive help under FEMA’s hazard mitigation grant program will not be penalized under the Tax Code for receiving that help. It exempts these grants from being considered income for tax purposes.

The FEMA mitigation program has been around for 15 years. It has helped