

109TH CONGRESS
1ST SESSION

H. R. 720

To provide for income tax treatment relating to certain losses arising from, and grants made as a result of, the September 11, 2001, terrorist attacks on New York City.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 9, 2005

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

A BILL

To provide for income tax treatment relating to certain losses arising from, and grants made as a result of, the September 11, 2001, terrorist attacks on New York City.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “September 11th Tax
5 Correction Act”.

1 **SEC. 2. TREATMENT OF RETENTION GRANTS AND CERTAIN**
2 **LOSSES ARISING FROM SEPTEMBER 11, 2001,**
3 **TERRORIST ATTACKS ON NEW YORK CITY.**

4 (a) **RETENTION GRANTS.**—Retention grants paid
5 from Federal community development block grant funds
6 for assistance for properties or businesses damaged by, or
7 for economic revitalization related to, the September 11,
8 2001, terrorist attacks on New York City shall, to the ex-
9 tent not otherwise excluded from income tax under the in-
10 ternal revenue laws of the United States—

11 (1) not be includible in gross income under the
12 Internal Revenue Code of 1986, and

13 (2) not be subject to information reporting
14 under such Code.

15 (b) **DEDUCTIONS.**—Section 265 of the Internal Rev-
16 enue Code of 1986 shall not apply with respect to grants
17 described in subsection (a).

18 (c) **WAIVER OF LIMITATIONS.**—If the credit or re-
19 fund of any overpayment of tax resulting from the applica-
20 tion of subsections (a) and (b) is prevented at any time
21 by the operation of any law or rule of law (including res
22 judicata), such credit or refund may nevertheless be al-
23 lowed or made if the claim therefor is filed before the close
24 of the 1-year period beginning on the date of the enact-
25 ment of this Act.