

110TH CONGRESS  
1ST SESSION

# H. R. 641

To clarify the tax treatment of certain payments made to homeowners by the Louisiana Recovery Authority and the Mississippi Development Authority.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 23, 2007

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

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## A BILL

To clarify the tax treatment of certain payments made to homeowners by the Louisiana Recovery Authority and the Mississippi Development Authority.

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. CLARIFICATION OF TAX TREATMENT OF CER-**  
4           **TAIN PAYMENTS MADE TO HOMEOWNERS BY**  
5           **THE LOUISIANA RECOVERY AUTHORITY AND**  
6           **THE MISSISSIPPI DEVELOPMENT AUTHORITY.**

7       For purposes of the Internal Revenue Code of 1986,  
8       if a taxpayer—

9           (1) receives any amount during the taxable year  
10          from the Louisiana Recovery Authority or the Mis-

1 sissippi Development Authority for the repair or re-  
2 construction of such taxpayer's primary residence  
3 due to damage sustained as the result of hurricanes  
4 occurring during 2005, and

5 (2) in any preceding taxable year claimed a cas-  
6 ualty loss deduction under section 165 of such Code  
7 with respect to such damage,

8 such amount shall be disregarded in determining the al-  
9 lowable portion of such casualty loss deduction and so  
10 much of such amount as does not exceed such casualty  
11 loss deduction shall be disregarded in determining the tax-  
12 payer's basis in such residence.

