

111TH CONGRESS
2^D SESSION

H. R. 5699

To amend the Internal Revenue Code of 1986 to provide tax benefits for certain areas affected by the discharge of oil by reason of the explosion on, and sinking of, the mobile offshore drilling unit Deepwater Horizon, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 1, 2010

Mr. MILLER of Florida (for himself, Mr. BONNER, and Mr. BOYD) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide tax benefits for certain areas affected by the discharge of oil by reason of the explosion on, and sinking of, the mobile offshore drilling unit Deepwater Horizon, and for other purposes.

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 “Gulf Oil Spill Recovery Act of 2010”.

6 (b) **AMENDMENT OF 1986 CODE.**—Except as other-
7 wise expressly provided, whenever in this Act an amend-

1 ment or repeal is expressed in terms of an amendment
 2 to, or repeal of, a section or other provision, the reference
 3 shall be considered to be made to a section or other provi-
 4 sion of the Internal Revenue Code of 1986.

5 (c) TABLE OF CONTENTS.—The table of contents of
 6 this Act is as follows:

- Sec. 1. Short title; etc.
- Sec. 2. Tax benefits for Gulf Oil Spill Recovery Zone.
- Sec. 3. Special extension of bonus depreciation placed in service date for tax-
payers affected by the Gulf Oil Spill.
- Sec. 4. Gulf Coast Recovery Bonds.

7 **SEC. 2. TAX BENEFITS FOR GULF OIL SPILL RECOVERY**
 8 **ZONE.**

9 (a) IN GENERAL.—Subchapter Y of chapter 1 is
 10 amended by adding at the end the following new part:

11 **“PART IV—TAX BENEFITS FOR GULF OIL SPILL**
 12 **RECOVERY ZONE**

- “Sec. 1400V-1. Gulf Oil Spill Recovery Zone.
- “Sec. 1400V-2. Tax benefits for Gulf Oil Spill Recovery Zone.
- “Sec. 1400V-3. Housing tax benefits.
- “Sec. 1400V-4. Special rules for use of retirement funds.
- “Sec. 1400V-5. Employee Retention Credit for Employers Affected by Gulf Oil
Spill.
- “Sec. 1400V-6. Additional tax relief provisions.
- “Sec. 1400V-7. Special rules for mortgage revenue bonds.

13 **“SEC. 1400V-1. GULF OIL SPILL RECOVERY ZONE.**

14 “For purposes of this part—

15 “(1) GULF OIL SPILL RECOVERY ZONE.—The
 16 term ‘Gulf Oil Spill Recovery Zone’ means the fol-
 17 lowing counties and parishes affected by the Gulf Oil
 18 Spill:

1 “(2) QUALIFIED GULF OIL SPILL RECOVERY
2 ZONE BOND.—For purposes of this subsection, the
3 term ‘qualified Gulf Oil Spill Recovery Zone Bond’
4 means any bond issued as part of an issue if—

5 “(A)(i) 95 percent or more of the net pro-
6 ceeds (as defined in section 150(a)(3)) of such
7 issue are to be used for qualified project costs,
8 or

9 “(ii) such issue meets the requirements of
10 a qualified mortgage issue, except as otherwise
11 provided in this subsection,

12 “(B) such bond is issued by the State of
13 Florida, Alabama, Louisiana, or Mississippi, or
14 any political subdivision thereof,

15 “(C) such bond is designated for purposes
16 of this section by—

17 “(i) in the case of a bond which is re-
18 quired under State law to be approved by
19 the bond commission of such State, such
20 bond commission, and

21 “(ii) in the case of any other bond,
22 the Governor of such State,

23 “(D) such bond is issued after the date of
24 the enactment of this section and before Janu-
25 ary 1, 2016, and

1 “(E) no portion of the proceeds of such
2 issue is to be used to provide any property de-
3 scribed in section 144(c)(6)(B).

4 “(3) LIMITATIONS ON BONDS.—

5 “(A) AGGREGATE AMOUNT DESIGNATED.—

6 The maximum aggregate face amount of bonds
7 which may be designated under this subsection
8 with respect to any State shall not exceed the
9 product of \$2,500 multiplied by the portion of
10 the State population which is in the Gulf Oil
11 Spill Recovery Zone (as determined on the basis
12 of the most recent census estimate of resident
13 population released by the Bureau of Census
14 before April 20, 2010).

15 “(B) MOVABLE PROPERTY.—No bonds
16 shall be issued which are to be used for movable
17 fixtures and equipment.

18 “(4) QUALIFIED PROJECT COSTS.—For pur-
19 poses of this subsection, the term ‘qualified project
20 costs’ means—

21 “(A) the cost of any qualified residential
22 rental project (as defined in section 142(d)) lo-
23 cated in the Gulf Oil Spill Recovery Zone, and

24 “(B) the cost of acquisition, construction,
25 reconstruction, and renovation of—

1 “(i) nonresidential real property (in-
2 cluding fixed improvements associated with
3 such property) located in the Gulf Oil Spill
4 Recovery Zone, and

5 “(ii) public utility property (as defined
6 in section 168(i)(10)) located in the Gulf
7 Oil Spill Recovery Zone.

8 “(5) SPECIAL RULES.—In applying this title to
9 any qualified Gulf Oil Spill Recovery Zone Bond, the
10 following modifications shall apply:

11 “(A) Section 142(d)(1) (defining qualified
12 residential rental project) shall be applied—

13 “(i) by substituting ‘60 percent’ for
14 ‘50 percent’ in subparagraph (A) thereof,
15 and

16 “(ii) by substituting ‘70 percent’ for
17 ‘60 percent’ in subparagraph (B) thereof.

18 “(B) Section 143 (relating to mortgage
19 revenue bonds: qualified mortgage bond and
20 qualified veterans’ mortgage bond) shall be ap-
21 plied—

22 “(i) only with respect to owner-occu-
23 pied residences in the Gulf Oil Spill Recov-
24 ery Zone,

1 “(ii) by treating any such residence in
2 the Gulf Oil Spill Recovery Zone as a tar-
3 geted area residence,

4 “(iii) by applying subsection (f)(3)
5 thereof without regard to subparagraph
6 (A) thereof, and

7 “(iv) by substituting ‘\$150,000’ for
8 ‘\$15,000’ in subsection (k)(4) thereof.

9 “(C) Except as provided in section 143, re-
10 payments of principal on financing provided by
11 the issue of which such bond is a part may not
12 be used to provide financing.

13 “(D) Section 146 (relating to volume cap)
14 shall not apply.

15 “(E) Section 147(d)(2) (relating to acqui-
16 sition of existing property not permitted) shall
17 be applied by substituting ‘50 percent’ for ‘15
18 percent’ each place it appears.

19 “(F) Section 148(f)(4)(C) (relating to ex-
20 ception from rebate for certain proceeds to be
21 used to finance construction expenditures) shall
22 apply to the available construction proceeds of
23 bonds which are part of an issue described in
24 paragraph (2)(A)(i).

1 “(G) Section 57(a)(5) (relating to tax-ex-
2 empt interest) shall not apply.

3 “(6) SEPARATE ISSUE TREATMENT OF POR-
4 TIONS OF AN ISSUE.—This subsection shall not
5 apply to the portion of an issue which (if issued as
6 a separate issue) would be treated as a qualified
7 bond or as a bond that is not a private activity bond
8 (determined without regard to paragraph (1)), if the
9 issuer elects to so treat such portion.

10 “(b) ADVANCE REFUNDINGS OF CERTAIN TAX-EX-
11 EMPT BONDS.—

12 “(1) IN GENERAL.—With respect to a bond de-
13 scribed in paragraph (3), one additional advance re-
14 funding after the date of the enactment of this sec-
15 tion and before January 1, 2016, shall be allowed
16 under the applicable rules of section 149(d) if—

17 “(A) the Governor of the State designates
18 the advance refunding bond for purposes of this
19 subsection, and

20 “(B) the requirements of paragraph (5)
21 are met.

22 “(2) CERTAIN PRIVATE ACTIVITY BONDS.—
23 With respect to a bond described in paragraph (3)
24 which is an exempt facility bond described in para-
25 graph (1) or (2) of section 142(a), one advance re-

1 funding after the date of the enactment of this sec-
2 tion and before January 1, 2016, shall be allowed
3 under the applicable rules of section 149(d) (not-
4 withstanding paragraph (2) thereof) if the require-
5 ments of subparagraphs (A) and (B) of paragraph
6 (1) are met.

7 “(3) BONDS DESCRIBED.—A bond is described
8 in this paragraph if such bond was outstanding on
9 April 20, 2010, and is issued by the State of Flor-
10 ida, Alabama, Louisiana, or Mississippi, or a polit-
11 ical subdivision thereof.

12 “(4) AGGREGATE LIMIT.—The maximum aggre-
13 gate face amount of bonds which may be designated
14 under this subsection by the Governor of a State
15 shall not exceed—

16 “(A) \$4,500,000,000 in the case of the
17 State of Florida,

18 “(B) \$4,500,000,000 in the case of the
19 State of Louisiana,

20 “(C) \$4,500,000,000 in the case of the
21 State of Mississippi, and

22 “(D) \$4,500,000,000 in the case of the
23 State of Alabama.

24 “(5) ADDITIONAL REQUIREMENTS.—The re-
25 quirements of this paragraph are met with respect

1 to any advance refunding of a bond described in
2 paragraph (3) if—

3 “(A) no advance refundings of such bond
4 would be allowed under this title on or after
5 April 20, 2010,

6 “(B) the advance refunding bond is the
7 only other outstanding bond with respect to the
8 refunded bond, and

9 “(C) the requirements of section 148 are
10 met with respect to all bonds issued under this
11 subsection.

12 “(6) USE OF PROCEEDS REQUIREMENT.—This
13 subsection shall not apply to any advance refunding
14 of a bond which is issued as part of an issue if any
15 portion of the proceeds of such issue (or any prior
16 issue) was (or is to be) used to provide any property
17 described in section 144(c)(6)(B).

18 “(c) LOW-INCOME HOUSING CREDIT.—

19 “(1) ADDITIONAL HOUSING CREDIT DOLLAR
20 AMOUNT FOR GULF OIL SPILL RECOVERY ZONE.—

21 “(A) IN GENERAL.—For purposes of sec-
22 tion 42, in the case of calendar years 2010,
23 2011, and 2012, the State housing credit ceil-
24 ing of each State, any portion of which is lo-

1 cated in the Gulf Oil Spill Recovery Zone, shall
2 be increased by the lesser of—

3 “(i) the aggregate housing credit dol-
4 lar amount allocated by the State housing
5 credit agency of such State to buildings lo-
6 cated in the Gulf Oil Spill Recovery Zone
7 for such calendar year, or

8 “(ii) the Gulf Oil Spill Recovery hous-
9 ing amount for such State for such cal-
10 endar year.

11 “(B) GULF OPPORTUNITY HOUSING
12 AMOUNT.—For purposes of subparagraph (A),
13 the term ‘Gulf Oil Spill Recovery housing
14 amount’ means, for any calendar year, the
15 amount equal to the product of \$18.00 multi-
16 plied by the portion of the State population
17 which is in the Gulf Oil Spill Recovery Zone (as
18 determined on the basis of the most recent cen-
19 sus estimate of resident population released by
20 the Bureau of Census before April 20, 2010).

21 “(C) ALLOCATIONS TREATED AS MADE
22 FIRST FROM ADDITIONAL ALLOCATION AMOUNT
23 FOR PURPOSES OF DETERMINING CARRY-
24 OVER.—For purposes of determining the un-
25 used State housing credit ceiling under section

1 42(h)(3)(C) for any calendar year, any increase
2 in the State housing credit ceiling under sub-
3 paragraph (A) shall be treated as an amount
4 described in clause (ii) of such section.

5 “(2) DIFFICULT DEVELOPMENT AREA.—

6 “(A) IN GENERAL.—For purposes of sec-
7 tion 42, in the case of property placed in service
8 during 2011, 2012, or 2013, the Gulf Oil Spill
9 Recovery Zone—

10 “(i) shall be treated as difficult devel-
11 opment areas designated under subclause
12 (I) of section 42(d)(5)(C)(iii), and

13 “(ii) shall not be taken into account
14 for purposes of applying the limitation
15 under subclause (II) of such section.

16 “(B) APPLICATION.—Subparagraph (A)
17 shall apply only to—

18 “(i) housing credit dollar amounts al-
19 located during the period beginning on
20 January 1, 2011, and ending on December
21 31, 2013, and

22 “(ii) buildings placed in service during
23 such period to the extent that paragraph
24 (1) of section 42(h) does not apply to any
25 building by reason of paragraph (4) there-

1 of, but only with respect to bonds issued
2 after December 31, 2010.

3 “(3) SPECIAL RULE FOR APPLYING INCOME
4 TESTS.—In the case of property placed in service—

5 “(A) during 2011, 2012, or 2013,

6 “(B) in the Gulf Oil Spill Recovery Zone,

7 and

8 “(C) in a nonmetropolitan area (as defined
9 in section 42(d)(5)(C)(iv)(IV)),

10 section 42 shall be applied by substituting ‘national
11 nonmetropolitan median gross income (determined
12 under rules similar to the rules of section
13 142(d)(2)(B))’ for ‘area median gross income’ in
14 subparagraphs (A) and (B) of section 42(g)(1).

15 “(4) DEFINITIONS.—Any term used in this sub-
16 section which is also used in section 42 shall have
17 the same meaning as when used in such section.

18 “(d) SPECIAL ALLOWANCE FOR CERTAIN PROPERTY
19 ACQUIRED ON OR AFTER APRIL 20, 2010.—

20 “(1) ADDITIONAL ALLOWANCE.—In the case of
21 any qualified Gulf Oil Spill Recovery Zone prop-
22 erty—

23 “(A) the depreciation deduction provided
24 by section 167(a) for the taxable year in which
25 such property is placed in service shall include

1 an allowance equal to 50 percent of the ad-
2 justed basis of such property, and

3 “(B) the adjusted basis of the qualified
4 Gulf Oil Spill Recovery Zone property shall be
5 reduced by the amount of such deduction before
6 computing the amount otherwise allowable as a
7 depreciation deduction under this chapter for
8 such taxable year and any subsequent taxable
9 year.

10 “(2) QUALIFIED GULF OIL SPILL RECOVERY
11 ZONE PROPERTY.—For purposes of this sub-
12 section—

13 “(A) IN GENERAL.—The term ‘qualified
14 Gulf Oil Spill Recovery Zone property’ means
15 property—

16 “(i)(I) which is described in section
17 168(k)(2)(A)(i), or

18 “(II) which is nonresidential real
19 property or residential rental property,

20 “(ii) substantially all of the use of
21 which is in the Gulf Oil Spill Recovery
22 Zone and is in the active conduct of a
23 trade or business by the taxpayer in such
24 Zone,

1 “(iii) the original use of which in the
2 Gulf Oil Spill Recovery Zone commences
3 with the taxpayer on or after April 20,
4 2010,

5 “(iv) which is acquired by the tax-
6 payer by purchase (as defined in section
7 179(d)) on or after April 20, 2010, but
8 only if no written binding contract for the
9 acquisition was in effect before April 20,
10 2010, and

11 “(v) which is placed in service by the
12 taxpayer on or before December 31, 2012
13 (December 31, 2013, in the case of non-
14 residential real property and residential
15 rental property).

16 “(B) EXCEPTIONS.—

17 “(i) ALTERNATIVE DEPRECIATION
18 PROPERTY.—Such term shall not include
19 any property described in section
20 168(k)(2)(D)(i).

21 “(ii) TAX-EXEMPT BOND-FINANCED
22 PROPERTY.—Such term shall not include
23 any property any portion of which is fi-
24 nanced with the proceeds of any obligation

1 the interest on which is exempt from tax
2 under section 103.

3 “(iii) QUALIFIED REVITALIZATION
4 BUILDINGS.—Such term shall not include
5 any qualified revitalization building with
6 respect to which the taxpayer has elected
7 the application of paragraph (1) or (2) of
8 section 1400I(a).

9 “(iv) ELECTION OUT.—If a taxpayer
10 makes an election under this clause with
11 respect to any class of property for any
12 taxable year, this subsection shall not
13 apply to all property in such class placed
14 in service during such taxable year.

15 “(3) SPECIAL RULES.—For purposes of this
16 subsection, rules similar to the rules of subpara-
17 graph (E) of section 168(k)(2) shall apply, except
18 that such subparagraph shall be applied—

19 “(A) by substituting ‘April 20, 2010’ for
20 ‘December 31, 2007’ each place it appears
21 therein,

22 “(B) by substituting ‘January 1, 2013’ for
23 ‘January 1, 2010’ in clause (i) thereof, and

1 “(C) by substituting ‘qualified Gulf Oil
2 Spill Recovery Zone property’ for ‘qualified
3 property’ in clause (iv) thereof.

4 “(4) ALLOWANCE AGAINST ALTERNATIVE MIN-
5 IMUM TAX.—For purposes of this subsection, rules
6 similar to the rules of section 168(k)(2)(G) shall
7 apply.

8 “(5) RECAPTURE.—For purposes of this sub-
9 section, rules similar to the rules under section
10 179(d)(10) shall apply with respect to any qualified
11 Gulf Oil Spill Recovery Zone property which ceases
12 to be qualified Gulf Oil Spill Recovery Zone prop-
13 erty.

14 “(e) INCREASE IN EXPENSING UNDER SECTION
15 179.—

16 “(1) IN GENERAL.—For purposes of section
17 179—

18 “(A) the dollar amount in effect under sec-
19 tion 179(b)(1) for the taxable year shall be in-
20 creased by the lesser of—

21 “(i) \$100,000, or

22 “(ii) the cost of qualified section 179
23 Gulf Oil Spill Recovery Zone property
24 placed in service during the taxable year,
25 and

1 “(B) the dollar amount in effect under sec-
2 tion 179(b)(2) for the taxable year shall be in-
3 creased by the lesser of—

4 “(i) \$600,000, or

5 “(ii) the cost of qualified section 179
6 Gulf Oil Spill Recovery Zone property
7 placed in service during the taxable year.

8 “(2) QUALIFIED SECTION 179 GULF OIL SPILL
9 RECOVERY ZONE PROPERTY.—For purposes of this
10 subsection, the term ‘qualified section 179 Gulf Oil
11 Spill Recovery Zone property’ means section 179
12 property (as defined in section 179(d)) which is
13 qualified Gulf Oil Spill Recovery Zone property (as
14 defined in subsection (d)(2)).

15 “(3) COORDINATION WITH EMPOWERMENT
16 ZONES AND RENEWAL COMMUNITIES.—For purposes
17 of sections 1397A and 1400J, qualified section 179
18 Gulf Oil Spill Recovery Zone property shall not be
19 treated as qualified zone property or qualified re-
20 newal property, unless the taxpayer elects not to
21 take such qualified section 179 Gulf Oil Spill Recov-
22 ery Zone property into account for purposes of this
23 subsection.

24 “(4) RECAPTURE.—For purposes of this sub-
25 section, rules similar to the rules under section

1 179(d)(10) shall apply with respect to any qualified
2 section 179 Gulf Oil Spill Recovery Zone property
3 which ceases to be qualified section 179 Gulf Oil
4 Spill Recovery Zone property.

5 “(f) EXPENSING FOR CERTAIN DEMOLITION AND
6 CLEAN-UP COSTS.—

7 “(1) IN GENERAL.—A taxpayer may elect to
8 treat 50 percent of any qualified Gulf Oil Spill Re-
9 covery Zone clean-up cost as an expense which is not
10 chargeable to capital account. Any cost so treated
11 shall be allowed as a deduction for the taxable year
12 in which such cost is paid or incurred.

13 “(2) QUALIFIED GULF OIL SPILL RECOVERY
14 ZONE CLEAN-UP COST.—For purposes of this sub-
15 section, the term ‘qualified Gulf Oil Spill Recovery
16 Zone clean-up cost’ means any amount paid or in-
17 curred during the period beginning on April 20,
18 2010, and ending on December 31, 2012, for the re-
19 moval of debris from, or the demolition of structures
20 on, real property which is located in the Gulf Oil
21 Spill Recovery Zone and which is—

22 “(A) held by the taxpayer for use in a
23 trade or business or for the production of in-
24 come, or

1 “(B) property described in section
2 1221(a)(1) in the hands of the taxpayer.

3 For purposes of the preceding sentence, amounts
4 paid or incurred shall be taken into account only to
5 the extent that such amount would (but for para-
6 graph (1)) be chargeable to capital account.

7 “(g) EXTENSION OF EXPENSING FOR ENVIRON-
8 MENTAL REMEDIATION COSTS.—With respect to any
9 qualified environmental remediation expenditure (as de-
10 fined in section 198(b)) paid or incurred on or after April
11 20, 2010, in connection with a qualified contaminated site
12 located in the Gulf Oil Spill Recovery Zone, section 198
13 (relating to expensing of environmental remediation costs)
14 shall be applied—

15 “(1) in the case of expenditures paid or in-
16 curred on or after April 20, 2010, and before Janu-
17 ary 1, 2013, by substituting ‘December 31, 2012’
18 for the date contained in section 198(h), and

19 “(2) except as provided in section 198(d)(2), by
20 treating petroleum products (as defined in section
21 4612(a)(3)) as a hazardous substance.

22 “(h) INCREASE IN REHABILITATION CREDIT.—In the
23 case of qualified rehabilitation expenditures (as defined in
24 section 47(c)) paid or incurred during the period begin-
25 ning on April 20, 2010, and ending on December 31,

1 2013, with respect to any qualified rehabilitated building
2 or certified historic structure (as defined in section 47(e))
3 located in the Gulf Oil Spill Recovery Zone, subsection (a)
4 of section 47 (relating to rehabilitation credit) shall be ap-
5 plied—

6 “(1) by substituting ‘13 percent’ for ‘10 per-
7 cent’ in paragraph (1) thereof, and

8 “(2) by substituting ‘26 percent’ for ‘20 per-
9 cent’ in paragraph (2) thereof.

10 “(i) TREATMENT OF NET OPERATING LOSSES AT-
11 TRIBUTABLE TO GULF OIL SPILL RECOVERY ZONE
12 LOSSES.—

13 “(1) IN GENERAL.—If a portion of any net op-
14 erating loss of the taxpayer for any taxable year is
15 a qualified Gulf Oil Spill Recovery Zone loss, the fol-
16 lowing rules shall apply:

17 “(A) EXTENSION OF CARRYBACK PE-
18 RIOD.—Section 172(b)(1) shall be applied with
19 respect to such portion—

20 “(i) by substituting ‘5 taxable years’
21 for ‘2 taxable years’ in subparagraph
22 (A)(i), and

23 “(ii) by not taking such portion into
24 account in determining any eligible loss of

1 the taxpayer under subparagraph (F)
2 thereof for the taxable year.

3 “(B) SUSPENSION OF 90 PERCENT AMT
4 LIMITATION.—Section 56(d)(1) shall be applied
5 by increasing the amount determined under
6 subparagraph (A)(ii)(I) thereof by the sum of
7 the carrybacks and carryovers of any net oper-
8 ating loss attributable to such portion.

9 “(2) QUALIFIED GULF OIL SPILL RECOVERY
10 ZONE LOSS.—For purposes of paragraph (1), the
11 term ‘qualified Gulf Oil Spill Recovery Zone loss’
12 means the lesser of—

13 “(A) the excess of—

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

16 “(ii) the specified liability loss for
17 such taxable year to which a 10-year
18 carryback applies under section
19 172(b)(1)(C), or

20 “(B) the aggregate amount of the fol-
21 lowing deductions to the extent taken into ac-
22 count in computing the net operating loss for
23 such taxable year:

24 “(i) Any deduction for any qualified
25 Gulf Oil Spill Recovery Zone casualty loss.

1 “(ii) Any deduction for moving ex-
2 penses paid or incurred after April 19,
3 2010, and before January 1, 2014, and al-
4 lowable under this chapter to any taxpayer
5 in connection with the employment of any
6 individual—

7 “(I) whose principal place of
8 abode was located in the Gulf Oil Spill
9 Recovery Zone before April 20, 2010,

10 “(II) who was unable to remain
11 in such abode as the result of the Gulf
12 Oil Spill, and

13 “(III) whose principal place of
14 employment with the taxpayer after
15 such expense is located in the Gulf Oil
16 Spill Recovery Zone.

17 For purposes of this clause, the term ‘mov-
18 ing expenses’ has the meaning given such
19 term by section 217(b), except that the
20 taxpayer’s former residence and new resi-
21 dence may be the same residence if the ini-
22 tial vacating of the residence was by rea-
23 son of the Gulf Oil Spill.

24 “(iii) Any deduction allowable under
25 this chapter for expenses paid or incurred

1 after April 19, 2010, and before January
2 1, 2013, to temporarily house any em-
3 ployee of the taxpayer whose principal
4 place of employment is in the Gulf Oil Spill
5 Recovery Zone.

6 “(iv) Any deduction for depreciation
7 (or amortization in lieu of depreciation) al-
8 lowable under this chapter with respect to
9 any qualified Gulf Oil Spill Recovery Zone
10 property (as defined in subsection (d)(2),
11 but without regard to subparagraph
12 (B)(iv) thereof)) for the taxable year such
13 property is placed in service.

14 “(v) Any deduction allowable under
15 this chapter for repair expenses (including
16 expenses for removal of debris) paid or in-
17 curred after April 19, 2010, and before
18 January 1, 2013, with respect to any dam-
19 age attributable to the Gulf Oil Spill and
20 in connection with property which is lo-
21 cated in the Gulf Oil Spill Recovery Zone.

22 “(3) QUALIFIED GULF OIL SPILL RECOVERY
23 ZONE CASUALTY LOSS.—

24 “(A) IN GENERAL.—For purposes of para-
25 graph (2)(B)(i), the term ‘qualified Gulf Oil

1 Spill Recovery Zone casualty loss' means any
2 uncompensated section 1231 loss (as defined in
3 section 1231(a)(3)(B)) of property located in
4 the Gulf Oil Spill Recovery Zone if—

5 “(i) such loss is allowed as a deduc-
6 tion under section 165 for the taxable
7 year, and

8 “(ii) such loss is by reason of the Gulf
9 Oil Spill.

10 “(B) REDUCTION FOR GAINS FROM INVOL-
11 UNTARY CONVERSION.—The amount of quali-
12 fied Gulf Oil Spill Recovery Zone casualty loss
13 which would (but for this subparagraph) be
14 taken into account under subparagraph (A) for
15 any taxable year shall be reduced by the
16 amount of any gain recognized by the taxpayer
17 for such year from the involuntary conversion
18 by reason of the Gulf Oil Spill of property lo-
19 cated in the Gulf Oil Spill Recovery Zone.

20 “(C) COORDINATION WITH GENERAL DIS-
21 ASTER LOSS RULES.—Subsections (h) and (i) of
22 section 165 shall not apply to any qualified
23 Gulf Oil Spill Recovery Zone casualty loss to
24 the extent such loss is taken into account under
25 this subsection.

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

5 “(j) CREDIT TO HOLDERS OF GULF OIL SPILL RE-
6 COVERY TAX CREDIT BONDS.—

7 “(1) ALLOWANCE OF CREDIT.—If a taxpayer
8 holds a Gulf Oil Spill Recovery tax credit bond on
9 one or more credit allowance dates of the bond oc-
10 curring during any taxable year, there shall be al-
11 lowed as a credit against the tax imposed by this
12 chapter for the taxable year an amount equal to the
13 sum of the credits determined under paragraph (2)
14 with respect to such dates.

15 “(2) AMOUNT OF CREDIT.—

16 “(A) IN GENERAL.—The amount of the
17 credit determined under this paragraph with re-
18 spect to any credit allowance date for a Gulf Oil
19 Spill Recovery tax credit bond is 25 percent of
20 the annual credit determined with respect to
21 such bond.

22 “(B) ANNUAL CREDIT.—The annual credit
23 determined with respect to any Gulf Oil Spill
24 Recovery tax credit bond is the product of—

1 “(i) the credit rate determined by the
2 Secretary under subparagraph (C) for the
3 day on which such bond was sold, multi-
4 plied by

5 “(ii) the outstanding face amount of
6 the bond.

7 “(C) DETERMINATION.—For purposes of
8 subparagraph (B), with respect to any Gulf Oil
9 Spill Recovery tax credit bond, the Secretary
10 shall determine daily or cause to be determined
11 daily a credit rate which shall apply to the first
12 day on which there is a binding, written con-
13 tract for the sale or exchange of the bond. The
14 credit rate for any day is the credit rate which
15 the Secretary or the Secretary’s designee esti-
16 mates will permit the issuance of Gulf Oil Spill
17 Recovery tax credit bonds with a specified ma-
18 turity or redemption date without discount and
19 without interest cost to the issuer.

20 “(D) CREDIT ALLOWANCE DATE.—For
21 purposes of this subsection, the term ‘credit al-
22 lowance date’ means March 15, June 15, Sep-
23 tember 15, and December 15. Such term also
24 includes the last day on which the bond is out-
25 standing.

1 “(E) SPECIAL RULE FOR ISSUANCE AND
2 REDEMPTION.—In the case of a bond which is
3 issued during the 3-month period ending on a
4 credit allowance date, the amount of the credit
5 determined under this paragraph with respect
6 to such credit allowance date shall be a ratable
7 portion of the credit otherwise determined
8 based on the portion of the 3-month period dur-
9 ing which the bond is outstanding. A similar
10 rule shall apply when the bond is redeemed or
11 matures.

12 “(3) LIMITATION BASED ON AMOUNT OF
13 TAX.—The credit allowed under paragraph (1) for
14 any taxable year shall not exceed the excess of—

15 “(A) the sum of the regular tax liability
16 (as defined in section 26(b)) plus the tax im-
17 posed by section 55, over

18 “(B) the sum of the credits allowable
19 under part IV of subchapter A (other than sub-
20 part C and this subsection).

21 “(4) GULF OIL SPILL RECOVERY TAX CREDIT
22 BOND.—For purposes of this subsection—

23 “(A) IN GENERAL.—The term ‘Gulf Oil
24 Spill Recovery tax credit bond’ means any bond
25 issued as part of an issue if—

1 “(i) the bond is issued by the State of
2 Florida, Alabama, Louisiana, or Mis-
3 sissippi,

4 “(ii) 95 percent or more of the pro-
5 ceeds of such issue are to be used to—

6 “(I) pay principal, interest, or
7 premiums on qualified bonds issued
8 by such State or any political subdivi-
9 sion of such State, or

10 “(II) make a loan to any political
11 subdivision of such State to pay prin-
12 cipal, interest, or premiums on quali-
13 fied bonds issued by such political
14 subdivision,

15 “(iii) the Governor of such State des-
16 ignates such bond for purposes of this sub-
17 section,

18 “(iv) the bond is a general obligation
19 of such State and is in registered form
20 (within the meaning of section 149(a)),

21 “(v) the maturity of such bond does
22 not exceed 2 years, and

23 “(vi) the bond is issued after Decem-
24 ber 31, 2010, and before January 1, 2013.

1 “(B) STATE MATCHING REQUIREMENT.—A
2 bond shall not be treated as a Gulf Oil Spill Re-
3 covery tax credit bond unless—

4 “(i) the issuer of such bond pledges as
5 of the date of the issuance of the issue an
6 amount equal to the face amount of such
7 bond to be used for payments described in
8 subclause (I) of subparagraph (A)(ii), or
9 loans described in subclause (II) of such
10 subparagraph, as the case may be, with re-
11 spect to the issue of which such bond is a
12 part, and

13 “(ii) any such payment or loan is
14 made in equal amounts from the proceeds
15 of such issue and from the amount pledged
16 under clause (i).

17 The requirement of clause (ii) shall be treated
18 as met with respect to any such payment or
19 loan made during the 1-year period beginning
20 on the date of the issuance (or any successor 1-
21 year period) if such requirement is met when
22 applied with respect to the aggregate amount of
23 such payments and loans made during such pe-
24 riod.

1 “(C) AGGREGATE LIMIT ON BOND DES-
2 IGNATIONS.—The maximum aggregate face
3 amount of bonds which may be designated
4 under this subsection by the Governor of a
5 State shall not exceed—

6 “(i) \$200,000,000 in the case of the
7 State of Florida,

8 “(ii) \$200,000,000 in the case of the
9 State of Louisiana,

10 “(iii) \$100,000,000 in the case of the
11 State of Mississippi, and

12 “(iv) \$50,000,000 in the case of the
13 State of Alabama.

14 “(D) SPECIAL RULES RELATING TO ARBI-
15 TRAGE.—A bond which is part of an issue shall
16 not be treated as a Gulf Oil Spill Recovery tax
17 credit bond unless, with respect to the issue of
18 which the bond is a part, the issuer satisfies the
19 arbitrage requirements of section 148 with re-
20 spect to proceeds of the issue and any loans
21 made with such proceeds.

22 “(5) QUALIFIED BOND.—For purposes of this
23 subsection—

24 “(A) IN GENERAL.—The term ‘qualified
25 bond’ means any obligation of a State or polit-

1 ical subdivision thereof which was outstanding
2 on April 20, 2010.

3 “(B) EXCEPTION FOR PRIVATE ACTIVITY
4 BONDS.—Such term shall not include any pri-
5 vate activity bond.

6 “(C) EXCEPTION FOR ADVANCE
7 REFUNDINGS.—Such term shall not include any
8 bond with respect to which there is any out-
9 standing refunded or refunding bond during the
10 period in which a Gulf Oil Spill Recovery tax
11 credit bond is outstanding with respect to such
12 bond.

13 “(D) USE OF PROCEEDS REQUIREMENT.—
14 Such term shall not include any bond issued as
15 part of an issue if any portion of the proceeds
16 of such issue was (or is to be) used to provide
17 any property described in section 144(e)(6)(B).

18 “(6) CREDIT INCLUDED IN GROSS INCOME.—
19 Gross income includes the amount of the credit al-
20 lowed to the taxpayer under this subsection (deter-
21 mined without regard to paragraph (3)) and the
22 amount so included shall be treated as interest in-
23 come.

24 “(7) OTHER DEFINITIONS AND SPECIAL
25 RULES.—For purposes of this subsection—

1 “(A) BOND.—The term ‘bond’ includes
2 any obligation.

3 “(B) PARTNERSHIP; S CORPORATION; AND
4 OTHER PASS-THRU ENTITIES.—

5 “(i) IN GENERAL.—Under regulations
6 prescribed by the Secretary, in the case of
7 a partnership, trust, S corporation, or
8 other pass-thru entity, rules similar to the
9 rules of section 41(g) shall apply with re-
10 spect to the credit allowable under para-
11 graph (1).

12 “(ii) NO BASIS ADJUSTMENT.—In the
13 case of a bond held by a partnership or an
14 S corporation, rules similar to the rules
15 under section 1397E(i) shall apply.

16 “(C) BONDS HELD BY REGULATED IN-
17 VESTMENT COMPANIES.—If any Gulf Oil Spill
18 Recovery tax credit bond is held by a regulated
19 investment company, the credit determined
20 under paragraph (1) shall be allowed to share-
21 holders of such company under procedures pre-
22 scribed by the Secretary.

23 “(D) REPORTING.—Issuers of Gulf Oil
24 Spill Recovery tax credit bonds shall submit re-

1 ports similar to the reports required under sec-
2 tion 149(e).

3 “(E) CREDIT TREATED AS NONREFUND-
4 ABLE BONDHOLDER CREDIT.—For purposes of
5 this title, the credit allowed by this subsection
6 shall be treated as a credit allowable under sub-
7 part H of part IV of subchapter A of this chap-
8 ter.

9 “(k) APPLICATION OF NEW MARKETS TAX CREDIT
10 TO INVESTMENTS IN COMMUNITY DEVELOPMENT ENTI-
11 TIES SERVING GULF OIL SPILL RECOVERY ZONE.—For
12 purposes of section 45D—

13 “(1) a qualified community development entity
14 shall be eligible for an allocation under subsection
15 (f)(2) thereof of the increase in the new markets tax
16 credit limitation described in paragraph (2) only if
17 a significant mission of such entity is the recovery
18 and redevelopment of the Gulf Oil Spill Recovery
19 Zone,

20 “(2) the new markets tax credit limitation oth-
21 erwise determined under subsection (f)(1) thereof
22 shall be increased by an amount equal to—

23 “(A) \$300,000,000 for 2010 and 2011, to
24 be allocated among qualified community devel-
25 opment entities to make qualified low-income

1 community investments within the Gulf Oil
2 Spill Recovery Zone, and

3 “(B) \$400,000,000 for 2012, to be so allo-
4 cated, and

5 “(3) subsection (f)(3) thereof shall be applied
6 separately with respect to the amount of the increase
7 under paragraph (2).

8 “(l) TREATMENT OF REPRESENTATIONS REGARDING
9 INCOME ELIGIBILITY FOR PURPOSES OF QUALIFIED RES-
10 IDENTIAL RENTAL PROJECT REQUIREMENTS.—For pur-
11 poses of determining if any residential rental project meets
12 the requirements of section 142(d)(1) and if any certifi-
13 cation with respect to such project meets the requirements
14 under section 142(d)(7), the operator of the project may
15 rely on the representations of any individual applying for
16 tenancy in such project that such individual’s income will
17 not exceed the applicable income limits of section
18 142(d)(1) upon commencement of the individual’s tenancy
19 if such tenancy begins during the 6-month period begin-
20 ning on and after the date such individual was displaced
21 by reason of the Gulf Oil Spill.

22 “(m) TREATMENT OF PUBLIC UTILITY PROPERTY
23 GULF OIL SPILL LOSSES.—

1 “(1) IN GENERAL.—Upon the election of the
2 taxpayer, in the case of any eligible public utility
3 property loss—

4 “(A) section 165(i) shall be applied by sub-
5 stituting ‘the fifth taxable year immediately
6 preceding’ for ‘the taxable year immediately
7 preceding’,

8 “(B) an application for a tentative
9 carryback adjustment of the tax for any prior
10 taxable year affected by the application of sub-
11 paragraph (A) may be made under section
12 6411, and

13 “(C) section 6611 shall not apply to any
14 overpayment attributable to such loss.

15 “(2) ELIGIBLE PUBLIC UTILITY PROPERTY
16 LOSS.—For purposes of this subsection—

17 “(A) IN GENERAL.—The term ‘eligible
18 public utility property loss’ means any loss with
19 respect to public utility property located in the
20 Gulf Oil Spill Recovery Zone and attributable to
21 the Gulf Oil Spill.

22 “(B) PUBLIC UTILITY PROPERTY.—The
23 term ‘public utility property’ has the meaning
24 given such term by section 168(i)(10) without

1 regard to the matter following subparagraph
2 (D) thereof.

3 “(3) WAIVER OF LIMITATIONS.—If refund or
4 credit of any overpayment of tax resulting from the
5 application of paragraph (1) is prevented at any
6 time before the close of the 1-year period beginning
7 on the date of the enactment of this section by the
8 operation of any law or rule of law (including res judi-
9 dicata), such refund or credit may nevertheless be
10 made or allowed if claim therefor is filed before the
11 close of such period.

12 “(n) TAX BENEFITS NOT AVAILABLE WITH RE-
13 SPECT TO CERTAIN PROPERTY.—

14 “(1) QUALIFIED GULF OIL SPILL RECOVERY
15 ZONE PROPERTY.—For purposes of subsections (d),
16 (e), and (j)(2)(B)(iv), the term ‘qualified Gulf Oil
17 Spill Recovery Zone property’ shall not include any
18 property described in paragraph (3).

19 “(2) QUALIFIED GULF OIL SPILL RECOVERY
20 ZONE CASUALTY LOSSES.—For purposes of sub-
21 section (j)(2)(B)(i), the term ‘qualified Gulf Oil Spill
22 Recovery Zone casualty loss’ shall not include any
23 loss with respect to any property described in para-
24 graph (3).

25 “(3) PROPERTY DESCRIBED.—

1 “(A) IN GENERAL.—For purposes of this
2 subsection, property is described in this para-
3 graph if such property is—

4 “(i) any property used in connection
5 with any private or commercial golf course,
6 country club, massage parlor, hot tub facil-
7 ity, suntan facility, or any store the prin-
8 cipal business of which is the sale of alco-
9 holic beverages for consumption off prem-
10 ises, or

11 “(ii) any gambling or animal racing
12 property.

13 “(B) GAMBLING OR ANIMAL RACING PROP-
14 ERTY.—For purposes of subparagraph (A)(ii)—

15 “(i) IN GENERAL.—The term ‘gam-
16 bling or animal racing property’ means—

17 “(I) any equipment, furniture,
18 software, or other property used di-
19 rectly in connection with gambling,
20 the racing of animals, or the on-site
21 viewing of such racing, and

22 “(II) the portion of any real
23 property (determined by square foot-
24 age) which is dedicated to gambling,

1 the racing of animals, or the on-site
2 viewing of such racing.

3 “(ii) DE MINIMIS PORTION.—Clause
4 (i)(II) shall not apply to any real property
5 if the portion so dedicated is less than 100
6 square feet.

7 **“SEC. 1400V-3. HOUSING TAX BENEFITS.**

8 “(a) EXCLUSION OF EMPLOYER PROVIDED HOUSING
9 FOR INDIVIDUAL AFFECTED BY GULF OIL SPILL.—

10 “(1) IN GENERAL.—Gross income of a qualified
11 employee shall not include the value of any lodging
12 furnished in-kind to such employee (and such em-
13 ployee’s spouse or any of such employee’s depend-
14 ents) by or on behalf of a qualified employer for any
15 month during the taxable year.

16 “(2) LIMITATION.—The amount which may be
17 excluded under paragraph (1) for any month for
18 which lodging is furnished during the taxable year
19 shall not exceed \$600.

20 “(3) TREATMENT OF EXCLUSION.—The exclu-
21 sion under paragraph (1) shall be treated as an ex-
22 clusion under section 119 (other than for purposes
23 of sections 3121(a)(19) and 3306(b)(14)).

24 “(b) EMPLOYER CREDIT FOR HOUSING EMPLOYEES
25 AFFECTED BY GULF OIL SPILL.—For purposes of section

1 38, in the case of a qualified employer, the Gulf Oil Spill
2 housing credit for any month during the taxable year is
3 an amount equal to 30 percent of any amount which is
4 excludable from the gross income of a qualified employee
5 of such employer under subsection (a) and not otherwise
6 excludable under section 119.

7 “(c) QUALIFIED EMPLOYEE.—For purposes of this
8 section, the term ‘qualified employee’ means, with respect
9 to any month, an individual—

10 “(1) who had a principal residence (as defined
11 in section 121) in the Gulf Oil Spill Recovery Zone
12 on April 20, 2010, and

13 “(2) who performs substantially all employment
14 services—

15 “(A) in the Gulf Oil Spill Recovery Zone,
16 and

17 “(B) for the qualified employer which fur-
18 nishes lodging to such individual.

19 “(d) QUALIFIED EMPLOYER.—For purposes of this
20 section, the term ‘qualified employer’ means any employer
21 with a trade or business located in the Gulf Oil Spill Re-
22 covery Zone.

23 “(e) CERTAIN RULES TO APPLY.—For purposes of
24 this subsection, rules similar to the rules of sections
25 51(i)(1) and 52 shall apply.

1 “(f) APPLICATION OF SECTION.—This section shall
2 apply to lodging furnished during the period—

3 “(1) beginning on the first day of the first
4 month beginning after the date of the enactment of
5 this section, and

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

8 **“SEC. 1400V-4. SPECIAL RULES FOR USE OF RETIREMENT**
9 **FUNDS.**

10 “(a) TAX-FAVORED WITHDRAWALS FROM RETIRE-
11 MENT PLANS.—

12 “(1) IN GENERAL.—Section 72(t) shall not
13 apply to any qualified Gulf Oil Spill distribution.

14 “(2) AGGREGATE DOLLAR LIMITATION.—

15 “(A) IN GENERAL.—For purposes of this
16 subsection, the aggregate amount of distribu-
17 tions received by an individual which may be
18 treated as qualified Gulf Oil Spill distributions
19 for any taxable year shall not exceed the excess
20 (if any) of—

21 “(i) \$100,000, over

22 “(ii) the aggregate amounts treated as
23 qualified Gulf Oil Spill distributions re-
24 ceived by such individual for all prior tax-
25 able years.

1 “(B) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual would
2 (without regard to subparagraph (A)) be a
3 qualified Gulf Oil Spill distribution, a plan shall
4 not be treated as violating any requirement of
5 this title merely because the plan treats such
6 distribution as a qualified Gulf Oil Spill dis-
7 tribution, unless the aggregate amount of such
8 distributions from all plans maintained by the
9 employer (and any member of any controlled
10 group which includes the employer) to such in-
11 dividual exceeds \$100,000.
12

13 “(C) CONTROLLED GROUP.—For purposes
14 of subparagraph (B), the term ‘controlled
15 group’ means any group treated as a single em-
16 ployer under subsection (b), (c), (m), or (o) of
17 section 414.

18 “(3) AMOUNT DISTRIBUTED MAY BE REPAYED.—

19 “(A) IN GENERAL.—Any individual who
20 receives a qualified Gulf Oil Spill distribution
21 may, at any time during the 3-year period be-
22 ginning on the day after the date on which such
23 distribution was received, make one or more
24 contributions in an aggregate amount not to ex-
25 ceed the amount of such distribution to an eligi-

1 ble retirement plan of which such individual is
2 a beneficiary and to which a rollover contribu-
3 tion of such distribution could be made under
4 section 402(c), 403(a)(4), 403(b)(8), 408(d)(3),
5 or 457(e)(16), as the case may be.

6 “(B) TREATMENT OF REPAYMENTS OF
7 DISTRIBUTIONS FROM ELIGIBLE RETIREMENT
8 PLANS OTHER THAN IRAS.—For purposes of
9 this title, if a contribution is made pursuant to
10 subparagraph (A) with respect to a qualified
11 Gulf Oil Spill distribution from an eligible re-
12 tirement plan other than an individual retire-
13 ment plan, then the taxpayer shall, to the ex-
14 tent of the amount of the contribution, be treat-
15 ed as having received the qualified Gulf Oil
16 Spill distribution in an eligible rollover distribu-
17 tion (as defined in section 402(c)(4)) and as
18 having transferred the amount to the eligible
19 retirement plan in a direct trustee to trustee
20 transfer within 60 days of the distribution.

21 “(C) TREATMENT OF REPAYMENTS FOR
22 DISTRIBUTIONS FROM IRAS.—For purposes of
23 this title, if a contribution is made pursuant to
24 subparagraph (A) with respect to a qualified
25 Gulf Oil Spill distribution from an individual

1 retirement plan (as defined by section
2 7701(a)(37)), then, to the extent of the amount
3 of the contribution, the qualified Gulf Oil Spill
4 distribution shall be treated as a distribution
5 described in section 408(d)(3) and as having
6 been transferred to the eligible retirement plan
7 in a direct trustee to trustee transfer within 60
8 days of the distribution.

9 “(4) DEFINITIONS.—For purposes of this sub-
10 section—

11 “(A) QUALIFIED GULF OIL SPILL DIS-
12 TRIBUTION.—Except as provided in paragraph
13 (2), the term ‘qualified Gulf Oil Spill distribu-
14 tion’ means any distribution from an eligible re-
15 tirement plan made on or after April 20, 2010,
16 and before January 1, 2012, to an individual
17 whose principal place of abode on April 20,
18 2010, is located in the Gulf Oil Spill Recovery
19 Zone and who has sustained an economic loss
20 by reason of the Gulf Oil Spill.

21 “(B) ELIGIBLE RETIREMENT PLAN.—The
22 term ‘eligible retirement plan’ shall have the
23 meaning given such term by section
24 402(c)(8)(B).

1 “(5) INCOME INCLUSION SPREAD OVER 3-YEAR
2 PERIOD.—

3 “(A) IN GENERAL.—In the case of any
4 qualified Gulf Oil Spill distribution, unless the
5 taxpayer elects not to have this paragraph
6 apply for any taxable year, any amount re-
7 quired to be included in gross income for such
8 taxable year shall be so included ratably over
9 the 3-taxable year period beginning with such
10 taxable year.

11 “(B) SPECIAL RULE.—For purposes of
12 subparagraph (A), rules similar to the rules of
13 subparagraph (E) of section 408A(d)(3) shall
14 apply.

15 “(6) SPECIAL RULES.—

16 “(A) EXEMPTION OF DISTRIBUTIONS FROM
17 TRUSTEE TO TRUSTEE TRANSFER AND WITH-
18 HOLDING RULES.—For purposes of sections
19 401(a)(31), 402(f), and 3405, qualified Gulf Oil
20 Spill distributions shall not be treated as eligi-
21 ble rollover distributions.

22 “(B) QUALIFIED GULF OIL SPILL DIS-
23 TRIBUTIONS TREATED AS MEETING PLAN DIS-
24 TRIBUTION REQUIREMENTS.—For purposes this
25 title, a qualified Gulf Oil Spill distribution shall

1 be treated as meeting the requirements of sec-
2 tions 401(k)(2)(B)(i), 403(b)(7)(A)(ii),
3 403(b)(11), and 457(d)(1)(A).

4 “(b) RECONTRIBUTIONS OF WITHDRAWALS FOR
5 HOME PURCHASES.—

6 “(1) RECONTRIBUTIONS.—

7 “(A) IN GENERAL.—Any individual who
8 received a qualified distribution may, during the
9 applicable period, make one or more contribu-
10 tions in an aggregate amount not to exceed the
11 amount of such qualified distribution to an eli-
12 gible retirement plan (as defined in section
13 402(c)(8)(B)) of which such individual is a ben-
14 eficiary and to which a rollover contribution of
15 such distribution could be made under section
16 402(c), 403(a)(4), 403(b)(8), or 408(d)(3), as
17 the case may be.

18 “(B) TREATMENT OF REPAYMENTS.—
19 Rules similar to the rules of subparagraphs (B)
20 and (C) of subsection (a)(3) shall apply for pur-
21 poses of this subsection.

22 “(2) QUALIFIED DISTRIBUTION.—For purposes
23 of this subsection, the term ‘qualified distribution’
24 means any distribution—

1 “(A) described in section
2 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but only
3 to the extent such distribution relates to finan-
4 cial hardship), 403(b)(11)(B), or 72(t)(2)(F),

5 “(B) received after October 31, 2005, and
6 before April 30, 2010, and

7 “(C) which was to be used to purchase or
8 construct a principal residence in the Gulf Oil
9 Spill Recovery Zone, but which was not so pur-
10 chased or constructed on account of the Gulf
11 Oil Spill.

12 “(3) APPLICABLE PERIOD.—For purposes of
13 this subsection, the term ‘applicable period’ means
14 the period beginning on April 20, 2010, and ending
15 on October 20, 2010.

16 “(c) LOANS FROM QUALIFIED PLANS.—

17 “(1) INCREASE IN LIMIT ON LOANS NOT TREAT-
18 ED AS DISTRIBUTIONS.—In the case of any loan
19 from a qualified employer plan (as defined under
20 section 72(p)(4)) to a qualified individual made dur-
21 ing the applicable period—

22 “(A) clause (i) of section 72(p)(2)(A) shall
23 be applied by substituting ‘\$100,000’ for
24 ‘\$50,000’, and

1 “(B) clause (ii) of such section shall be ap-
2 plied by substituting ‘the present value of the
3 nonforfeitable accrued benefit of the employee
4 under the plan’ for ‘one-half of the present
5 value of the nonforfeitable accrued benefit of
6 the employee under the plan’.

7 “(2) DELAY OF REPAYMENT.—In the case of a
8 qualified individual with an outstanding loan on or
9 after the qualified beginning date from a qualified
10 employer plan (as defined in section 72(p)(4))—

11 “(A) if the due date pursuant to subpara-
12 graph (B) or (C) of section 72(p)(2) for any re-
13 payment with respect to such loan occurs dur-
14 ing the period beginning on the qualified begin-
15 ning date and ending on December 31, 2011,
16 such due date shall be delayed for 1 year,

17 “(B) any subsequent repayments with re-
18 spect to any such loan shall be appropriately
19 adjusted to reflect the delay in the due date
20 under paragraph (1) and any interest accruing
21 during such delay, and

22 “(C) in determining the 5-year period and
23 the term of a loan under subparagraph (B) or
24 (C) of section 72(p)(2), the period described in
25 subparagraph (A) shall be disregarded.

1 “(3) QUALIFIED INDIVIDUAL.—For purposes of
2 this subsection, the term ‘qualified individual’ means
3 an individual whose principal place of abode on April
4 20, 2010, is located in the Gulf Oil Spill Recovery
5 Zone and who has sustained an economic loss by
6 reason of the Gulf Oil Spill.

7 “(4) APPLICABLE PERIOD; QUALIFIED BEGIN-
8 NING DATE.—For purposes of this subsection—

9 “(A) the applicable period is the period be-
10 ginning on April 20, 2010, and ending on De-
11 cember 31, 2011, and—

12 “(B) the qualified beginning date is April
13 20, 2010.

14 “(d) PROVISIONS RELATING TO PLAN AMEND-
15 MENTS.—

16 “(1) IN GENERAL.—If this subsection applies to
17 any amendment to any plan or annuity contract,
18 such plan or contract shall be treated as being oper-
19 ated in accordance with the terms of the plan during
20 the period described in paragraph (2)(B)(i).

21 “(2) AMENDMENTS TO WHICH SUBSECTION AP-
22 PLIES.—

23 “(A) IN GENERAL.—This subsection shall
24 apply to any amendment to any plan or annuity
25 contract which is made—

1 “(i) pursuant to any provision of this
2 section, or pursuant to any regulation
3 issued by the Secretary or the Secretary of
4 Labor under any provision of this section,
5 and

6 “(ii) on or before the last day of the
7 first plan year beginning on or after Janu-
8 ary 1, 2012, or such later date as the Sec-
9 retary may prescribe.

10 In the case of a governmental plan (as defined
11 in section 414(d)), clause (ii) shall be applied
12 by substituting the date which is 2 years after
13 the date otherwise applied under clause (ii).

14 “(B) CONDITIONS.—This subsection shall
15 not apply to any amendment unless—

16 “(i) during the period—

17 “(I) beginning on the date that
18 this section or the regulation de-
19 scribed in subparagraph (A)(i) takes
20 effect (or in the case of a plan or con-
21 tract amendment not required by this
22 section or such regulation, the effec-
23 tive date specified by the plan), and

24 “(II) ending on the date de-
25 scribed in subparagraph (A)(ii) (or, if

1 earlier, the date the plan or contract
2 amendment is adopted),
3 the plan or contract is operated as if such
4 plan or contract amendment were in effect;
5 and
6 “(ii) such plan or contract amendment
7 applies retroactively for such period.

8 **“SEC. 1400V-5. EMPLOYEE RETENTION CREDIT FOR EM-**
9 **LOYERS AFFECTED BY GULF OIL SPILL.**

10 “(a) IN GENERAL.—For purposes of section 38, in
11 the case of an eligible employer, the Gulf Oil Spill em-
12 ployee retention credit for any taxable year is an amount
13 equal to 40 percent of the qualified wages with respect
14 to each eligible employee of such employer for such taxable
15 year. For purposes of the preceding sentence, the amount
16 of qualified wages which may be taken into account with
17 respect to any individual shall not exceed \$6,000.

18 “(b) DEFINITIONS.—For purposes of this sub-
19 section—

20 “(1) ELIGIBLE EMPLOYER.—The term ‘eligible
21 employer’ means any employer—

22 “(A) which conducted an active trade or
23 business on April 20, 2010, in the Gulf Oil Spill
24 Recovery Zone, and

1 “(B) with respect to whom the trade or
2 business described in subparagraph (A) is inop-
3 erable on any day after April 20, 2010, and be-
4 fore January 1, 2011, as a result of damage
5 sustained by reason of the Gulf Oil Spill.

6 “(2) ELIGIBLE EMPLOYEE.—The term ‘eligible
7 employee’ means with respect to an eligible employer
8 an employee whose principal place of employment on
9 April 20, 2010, with such eligible employer was in
10 the Gulf Oil Spill Recovery Zone.

11 “(3) QUALIFIED WAGES.—The term ‘qualified
12 wages’ means wages (as defined in section 51(c)(1)),
13 but without regard to section 3306(b)(2)(B)) paid or
14 incurred by an eligible employer with respect to an
15 eligible employee on any day after April 20, 2010,
16 and before January 1, 2011, which occurs during
17 the period—

18 “(A) beginning on the date on which the
19 trade or business described in paragraph (1)
20 first became inoperable at the principal place of
21 employment of the employee immediately before
22 the Gulf Oil Spill, and

23 “(B) ending on the date on which such
24 trade or business has resumed significant oper-
25 ations at such principal place of employment.

1 Such term shall include wages paid without regard
2 to whether the employee performs no services, per-
3 forms services at a place of employment different
4 than such principal place of employment, or per-
5 forms services at such principal place of employment
6 before significant operations have resumed.

7 “(c) CERTAIN RULES TO APPLY.—For purposes of
8 this section, rules similar to the rules of sections 51(i)(1)
9 and 52 shall apply.

10 “(d) EMPLOYEE NOT TAKEN INTO ACCOUNT MORE
11 THAN ONCE.—An employee shall not be treated as an eli-
12 gible employee for purposes of this subsection for any pe-
13 riod with respect to any employer if such employer is al-
14 lowed a credit under section 51 with respect to such em-
15 ployee for such period.

16 **“SEC. 1400V-6. ADDITIONAL TAX RELIEF PROVISIONS.**

17 “(a) TEMPORARY SUSPENSION OF LIMITATIONS ON
18 CHARITABLE CONTRIBUTIONS.—

19 “(1) IN GENERAL.—Except as otherwise pro-
20 vided in paragraph (2), section 170(b) shall not
21 apply to qualified contributions and such contribu-
22 tions shall not be taken into account for purposes of
23 applying subsections (b) and (d) of section 170 to
24 other contributions.

1 “(2) TREATMENT OF EXCESS CONTRIBU-
2 TIONS.—For purposes of section 170—

3 “(A) INDIVIDUALS.—In the case of an in-
4 dividual—

5 “(i) LIMITATION.—Any qualified con-
6 tribution shall be allowed only to the ex-
7 tent that the aggregate of such contribu-
8 tions does not exceed the excess of the tax-
9 payer’s contribution base (as defined in
10 subparagraph (F) of section 170(b)(1))
11 over the amount of all other charitable
12 contributions allowed under section
13 170(b)(1).

14 “(ii) CARRYOVER.—If the aggregate
15 amount of qualified contributions made in
16 the contribution year (within the meaning
17 of section 170(d)(1)) exceeds the limitation
18 of clause (i), such excess shall be added to
19 the excess described in the portion of sub-
20 paragraph (A) of such section which pre-
21 cedes clause (i) thereof for purposes of ap-
22 plying such section.

23 “(B) CORPORATIONS.—In the case of a
24 corporation—

1 “(i) LIMITATION.—Any qualified con-
2 tribution shall be allowed only to the ex-
3 tent that the aggregate of such contribu-
4 tions does not exceed the excess of the tax-
5 payer’s taxable income (as determined
6 under paragraph (2) of section 170(b))
7 over the amount of all other charitable
8 contributions allowed under such para-
9 graph.

10 “(ii) CARRYOVER.—Rules similar to
11 the rules of subparagraph (A)(ii) shall
12 apply for purposes of this subparagraph.

13 “(3) EXCEPTION TO OVERALL LIMITATION ON
14 ITEMIZED DEDUCTIONS.—So much of any deduction
15 allowed under section 170 as does not exceed the
16 qualified contributions paid during the taxable year
17 shall not be treated as an itemized deduction for
18 purposes of section 68.

19 “(4) QUALIFIED CONTRIBUTIONS.—

20 “(A) IN GENERAL.—For purposes of this
21 subsection, the term ‘qualified contribution’
22 means any charitable contribution (as defined
23 in section 170(c)) if—

24 “(i) such contribution is paid during
25 the period beginning on April 20, 2010,

1 and ending on December 31, 2012, in cash
2 to an organization described in section
3 170(b)(1)(A) (other than an organization
4 described in section 509(a)(3)),

5 “(ii) in the case of a contribution paid
6 by a corporation, such contribution is for
7 relief efforts related to the Gulf Oil Spill,
8 and

9 “(iii) the taxpayer has elected the ap-
10 plication of this subsection with respect to
11 such contribution.

12 “(B) EXCEPTION.—Such term shall not in-
13 clude a contribution if the contribution is for
14 establishment of a new, or maintenance in an
15 existing, segregated fund or account with re-
16 spect to which the donor (or any person ap-
17 pointed or designated by such donor) has, or
18 reasonably expects to have, advisory privileges
19 with respect to distributions or investments by
20 reason of the donor’s status as a donor.

21 “(C) APPLICATION OF ELECTION TO PART-
22 NERSHIPS AND S CORPORATIONS.—In the case
23 of a partnership or S corporation, the election
24 under subparagraph (A)(iii) shall be made sepa-
25 rately by each partner or shareholder.

1 “(b) SUSPENSION OF CERTAIN LIMITATIONS ON
2 PERSONAL CASUALTY LOSSES.—Paragraphs (1) and
3 (2)(A) of section 165(h) shall not apply to losses described
4 in section 165(c)(3) which arise in the Gulf Oil Spill Re-
5 covery Zone on or after April 20, 2010, and which are
6 attributable to the Gulf Oil Spill. In the case of any other
7 losses, section 165(h)(2)(A) shall be applied without re-
8 gard to the losses referred to in the preceding sentence.

9 “(c) REQUIRED EXERCISE OF AUTHORITY UNDER
10 SECTION 7508A.—In the case of any taxpayer determined
11 by the Secretary to be affected by the Gulf Oil Spill, any
12 relief provided by the Secretary under section 7508A shall
13 be for a period ending not earlier than October 20, 2011.

14 “(d) SPECIAL RULE FOR DETERMINING EARNED IN-
15 COME.—

16 “(1) IN GENERAL.—In the case of a qualified
17 individual, if the earned income of the taxpayer for
18 the taxable year which includes the applicable date
19 is less than the earned income of the taxpayer for
20 the preceding taxable year, the credits allowed under
21 sections 24(d) and 32 may, at the election of the
22 taxpayer, be determined by substituting—

23 “(A) such earned income for the preceding
24 taxable year, for

1 “(B) such earned income for the taxable
2 year which includes the applicable date.

3 “(2) QUALIFIED INDIVIDUAL.—For purposes of
4 this subsection, the term ‘qualified individual’ means
5 any individual—

6 “(A) whose principal place of abode on
7 April 20, 2010, was located in the Gulf Oil Spill
8 Recovery Zone, and

9 “(B) who was displaced from such prin-
10 cipal place of abode by reason of the Gulf Oil
11 Spill.

12 “(3) APPLICABLE DATE.—For purposes of this
13 subsection, the term ‘applicable date’ means April
14 20, 2010.

15 “(4) EARNED INCOME.—For purposes of this
16 subsection, the term ‘earned income’ has the mean-
17 ing given such term under section 32(c).

18 “(5) SPECIAL RULES.—

19 “(A) APPLICATION TO JOINT RETURNS.—
20 For purposes of paragraph (1), in the case of
21 a joint return for a taxable year which includes
22 the applicable date—

23 “(i) such paragraph shall apply if ei-
24 ther spouse is a qualified individual, and

1 “(ii) the earned income of the tax-
2 payer for the preceding taxable year shall
3 be the sum of the earned income of each
4 spouse for such preceding taxable year.

5 “(B) UNIFORM APPLICATION OF ELEC-
6 TION.—Any election made under paragraph (1)
7 shall apply with respect to both sections 24(d)
8 and section 32.

9 “(C) ERRORS TREATED AS MATHEMATICAL
10 ERROR.—For purposes of section 6213, an in-
11 correct use on a return of earned income pursu-
12 ant to paragraph (1) shall be treated as a
13 mathematical or clerical error.

14 “(D) NO EFFECT ON DETERMINATION OF
15 GROSS INCOME, ETC.—Except as otherwise pro-
16 vided in this subsection, this title shall be ap-
17 plied without regard to any substitution under
18 paragraph (1).

19 “(e) SECRETARIAL AUTHORITY TO MAKE ADJUST-
20 MENTS REGARDING TAXPAYER AND DEPENDENCY STA-
21 TUS.—With respect to taxable years beginning in 2010 or
22 2011, the Secretary may make such adjustments in the
23 application of the internal revenue laws as may be nec-
24 essary to ensure that taxpayers do not lose any deduction
25 or credit or experience a change of filing status by reason

1 of temporary relocations by reason of the Gulf Oil Spill.
2 Any adjustments made under the preceding sentence shall
3 ensure that an individual is not taken into account by
4 more than one taxpayer with respect to the same tax ben-
5 efit.

6 **“SEC. 1400V-7. SPECIAL RULES FOR MORTGAGE REVENUE**
7 **BONDS.**

8 “(a) IN GENERAL.—In the case of financing provided
9 with respect to owner-occupied residences in the Gulf Oil
10 Spill Recovery Zone, section 143 shall be applied—

11 “(1) by treating any such residence as a tar-
12 geted area residence,

13 “(2) by applying subsection (f)(3) thereof with-
14 out regard to subparagraph (A) thereof, and

15 “(3) by substituting ‘\$150,000’ for ‘\$15,000’ in
16 subsection (k)(4) thereof.

17 “(b) APPLICATION.—Subsection (a) shall not apply
18 to financing provided after December 31, 2010.”.

19 (b) CONFORMING AMENDMENTS.—

20 (1) Paragraph (2) of section 54(c) is amended
21 by inserting “section 1400V-2(j),” after
22 “1400N(1)”.

23 (2) Subparagraph (A) of section 6049(d)(8) is
24 amended—

1 (A) by striking “or 1400N(l)(6)” and in-
2 serting “, 1400N(l)(6), or 1400V-2(k)(6)”, and

3 (B) by striking “or 1400N(l)(2)(D)” and
4 inserting “1400N(l)(2)(D), or 1400V-
5 2(j)(2)(D)”.

6 (3) Subsection (b) of section 38 is amended by
7 striking “plus” at the end of paragraph (35), by
8 striking the period at the end of paragraph (36) and
9 inserting a comma, and by adding at the end the fol-
10 lowing new paragraphs:

11 “(37) the Gulf Oil Spill housing credit deter-
12 mined under section 1400V-3(b), plus

13 “(38) the Gulf Oil Spill employee retention
14 credit determined under section 1400V-5(a).”.

15 (4) Section 280C(a) is amended by striking
16 “and 1400R” and inserting “1400R, 1400V-3(b),
17 and 1400V-5”.

18 (5) The table of parts for subchapter Y of chap-
19 ter 1 is amended by adding at the end the following
20 new item:

“PART IV. TAX BENEFITS FOR GULF OIL SPILL RECOVERY ZONE.”.

21 (c) EFFECTIVE DATE.—

22 (1) IN GENERAL.—Except as provided in para-
23 graph (2), the amendments made by this section
24 shall apply to taxable years ending on or after April
25 20, 2010.

1 (2) CARRYBACKS.—Subsections (j) and (n) of
2 section 1400V–2 of the Internal Revenue Code of
3 1986 (as added by this section) shall apply to losses
4 arising in such taxable years.

5 **SEC. 3. SPECIAL EXTENSION OF BONUS DEPRECIATION**
6 **PLACED IN SERVICE DATE FOR TAXPAYERS**
7 **AFFECTED BY THE GULF OIL SPILL.**

8 In applying the rule under section 168(k)(2)(A)(iv)
9 of the Internal Revenue Code of 1986 to any property de-
10 scribed in subparagraph (B) or (C) of section 168(k)(2)
11 of such Code—

12 (1) the placement in service of which—

13 (A) is to be located in the Gulf Oil Recov-
14 ery Zone (as defined in section 1400V–1 of
15 such Code), and

16 (B) is to be made by any taxpayer affected
17 by the Gulf Oil Spill (as defined in section
18 1400V–1 of such Code), or

19 (2) which is manufactured in such Zone by any
20 person affected by the Gulf Oil Spill,

21 the Secretary of the Treasury may, on a taxpayer by tax-
22 payer basis, extend the required date of the placement in
23 service of such property under such section by such period
24 of time as is determined necessary by the Secretary but
25 not to exceed 1 year. For purposes of the preceding sen-

1 tence, the determination shall be made by only taking into
2 account the effect of the Gulf Oil spill on the date of such
3 placement by the taxpayer.

4 **SEC. 4. GULF COAST RECOVERY BONDS.**

5 It is the sense of the Congress that the Secretary of
6 the Treasury, or the Secretary's delegate, should designate
7 one or more series of bonds or certificates (or any portion
8 thereof) issued under section 3105 of title 31, United
9 States Code, as "Gulf Oil Spill Recovery Bonds" in re-
10 sponse to the Gulf Oil Spill (as defined in section 1400V-
11 1 of the Internal Revenue Code of 1986).

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