

112TH CONGRESS
2D SESSION

S. 3243

To amend the Internal Revenue Code of 1986 to increase the amount of the low-income housing credit that may be allocated in States damaged in 2011 by Hurricane Irene or Tropical Storm Lee.

IN THE SENATE OF THE UNITED STATES

MAY 24, 2012

Mrs. GILLIBRAND (for herself, Mr. LEAHY, and Mr. SANDERS) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to increase the amount of the low-income housing credit that may be allocated in States damaged in 2011 by Hurricane Irene or Tropical Storm Lee.

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 “Irene and Lee Tax
5 Relief Storm Recovery Act”.

1 **SEC. 2. ADDITIONAL LOW-INCOME HOUSING CREDIT MAY**
 2 **BE ALLOCATED IN STATES DAMAGED IN 2011**
 3 **BY HURRICANE IRENE OR TROPICAL STORM**
 4 **LEE.**

5 (a) IN GENERAL.—Paragraph (3) of section 42(h) of
 6 the Internal Revenue Code of 1986 (relating to limitation
 7 on aggregate credit allowable with respect to projects lo-
 8 cated in a State) is amended by adding at the end the
 9 following new subparagraph:

10 “(J) INCREASE IN STATE HOUSING CREDIT
 11 FOR STATES DAMAGED IN 2011 BY HURRICANE
 12 IRENE OR TROPICAL STORM LEE.—

13 “(i) IN GENERAL.—In the case of cal-
 14 endar years 2012, 2013, and 2014, the
 15 State housing credit ceiling of each State
 16 any portion of which includes any portion
 17 of the Irene-Lee disaster area shall be in-
 18 creased by the lesser of—

19 “(I) the aggregate housing credit
 20 dollar amount allocated by the State
 21 housing credit agency of such State
 22 for such calendar year to buildings lo-
 23 cated in such disaster area, or

24 “(II) the applicable limitation,
 25 reduced by the aggregate increase

1 under this clause for all prior calendar
 2 years.

3 “(ii) APPLICABLE LIMITATION.—For
 4 purposes of clause (i), the applicable limi-
 5 tation is the lesser of—

6 “(I) \$2.15 multiplied by the pop-
 7 ulation of the area described in clause
 8 (vii)(I), or

9 “(II) 50 percent of the State
 10 housing credit ceiling (determined
 11 without regard to this subparagraph)
 12 for 2012.

13 “(iii) ALLOCATIONS TREATED AS
 14 MADE FIRST FROM ADDITIONAL ALLOCA-
 15 TION AMOUNT FOR PURPOSES OF DETER-
 16 MINING CARRYOVER.—For purposes of de-
 17 termining the unused State housing credit
 18 ceiling under subparagraph (C) for any
 19 calendar year, any increase in the State
 20 housing credit ceiling under clause (i) shall
 21 be treated as an amount described in
 22 clause (ii) of such subparagraph.

23 “(iv) DIFFICULT DEVELOPMENT
 24 AREA.—

1 “(I) IN GENERAL.—In the case
2 of property placed in service during
3 2012, 2013, or 2014, the Irene-Lee
4 disaster area shall be treated as a dif-
5 ficult development area designated
6 under subclause (I) of subsection
7 (d)(5)(B)(iii), and shall not be taken
8 into account for purposes of applying
9 the limitation under subclause (II) of
10 such subsection.

11 “(II) APPLICATION OF
12 CLAUSE.—Clause (i) shall apply only
13 to—

14 “(aa) housing credit dollar
15 amounts allocated during 2012,
16 2013, or 2014, and

17 “(bb) to the extent that
18 paragraph (1) does not apply to
19 any building by reason of para-
20 graph (4), only with respect to
21 bonds issued after December 31,
22 2011.

23 “(v) SPECIAL RULE FOR APPLYING IN-
24 COME TESTS.—In the case of property
25 placed in service after 2011 and before

2019 in a nonmetropolitan area (as defined in subsection (d)(5)(B)(iv)(IV)) within the Irene-Lee disaster area, this section shall be applied by substituting ‘national nonmetropolitan median gross income (determined under rules similar to the rules of section 142(d)(2)(B))’ for ‘area median gross income’ in subparagraphs (A) and (B) of subsection (g)(1).

“(vi) TIME FOR MAKING LOW-INCOME HOUSING CREDIT ALLOCATIONS.—Paragraph (1)(B) shall not apply to an allocation of housing credit dollar amount to a building located in the Irene-Lee disaster area if such allocation is made in 2012, 2013, or 2014, and such building is placed in service before January 1, 2018.

“(vii) IRENE-LEE DISASTER AREA.—For purposes of this subparagraph, the term ‘Irene-Lee disaster area’ means—

“(I) each county included in the geographical area covered by a qualifying natural disaster declaration, and

“(II) each county contiguous to a county described in subclause (I).

“(viii) QUALIFYING NATURAL DIS-
 ASTER DECLARATION.—For purposes of
 clause (vii), the term ‘qualifying natural
 disaster declaration’ means—

“(I) a natural disaster declared
 by the Secretary of Agriculture in
 2011 due to damaging weather and
 other conditions relating to Hurricane
 Irene or Tropical Storm Lee under
 section 321(a) of the Consolidated
 Farm and Rural Development Act (7
 U.S.C. 1961(a)), or

“(II) a major disaster or emer-
 gency designated by the President in
 2011 due to damaging weather and
 other conditions relating to Hurricane
 Irene or Tropical Storm Lee under
 the Robert T. Stafford Disaster Relief
 and Emergency Assistance Act (42
 U.S.C. 5121 et seq.).”.

(b) EFFECTIVE DATE.—The amendment made by
 this section shall take effect on the date of the enactment
 of this Act.

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