

115TH CONGRESS
1ST SESSION

H. R. 2849

To provide emergency tax relief for persons affected by severe storms and flooding occurring in Louisiana.

IN THE HOUSE OF REPRESENTATIVES

JUNE 8, 2017

Mr. GRAVES of Louisiana (for himself, Mr. RICHMOND, Mr. ABRAHAM, and Mr. HIGGINS of Louisiana) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To provide emergency tax relief for persons affected by severe storms and flooding occurring in Louisiana.

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 “Louisiana Flood and Storm Devastation Tax Relief Act
6 of 2017”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

Sec. 1. Short title, etc.

Sec. 2. Louisiana Storm and Flood Disaster Area.

TITLE I—SPECIAL RULES FOR USE OF RETIREMENT FUNDS FOR
RELIEF RELATING TO LOUISIANA STORMS AND FLOODING

- Sec. 101. Tax-favored withdrawals from retirement plans for relief relating to Louisiana storms and flooding.
- Sec. 102. Recontributions of withdrawals for home purchases canceled due to the Louisiana storms and flooding.
- Sec. 103. Loans from qualified plans for relief relating to Louisiana storms and flooding.
- Sec. 104. Provisions relating to plan amendments.

TITLE J—EMPLOYMENT RELIEF

- Sec. 201. Work opportunity tax credit for Louisiana storm and flood employees.
- Sec. 202. Employee retention credit for employers affected by Louisiana storms and flooding.

TITLE K—CHARITABLE GIVING INCENTIVES

- Sec. 301. Temporary suspension of limitations on charitable contributions.
- Sec. 302. Additional exemption for housing Louisiana storm and flood displaced individuals.
- Sec. 303. Increase in standard mileage rate for charitable use of vehicles.
- Sec. 304. Mileage reimbursements to charitable volunteers excluded from gross income.
- Sec. 305. Charitable deduction for contributions of book inventories to public schools.

TITLE L—ADDITIONAL TAX RELIEF PROVISIONS

- Sec. 401. Exclusions of certain cancellations of indebtedness by reason of Louisiana storms and flooding.
- Sec. 402. Suspension of certain limitations on personal casualty losses.
- Sec. 403. Required exercise of authority under section 7508A for tax relief relating to Louisiana storms and flooding.
- Sec. 404. Special rules for mortgage revenue bonds relating to Louisiana storms and flooding.
- Sec. 405. Extension of replacement period for nonrecognition of gain for property located in Louisiana storm and flood disaster area.
- Sec. 406. Special rule for determining earned income.
- Sec. 407. Secretarial authority to make adjustments regarding taxpayer and dependency status.
- Sec. 408. Low-income housing credit.
- Sec. 409. Application of new markets tax credit to investments in community development entities serving Louisiana storm and flood disaster area.
- Sec. 410. Tax-exempt bond financing.
- Sec. 411. Expensing for certain demolition and clean-up costs.
- Sec. 412. Extension of expensing for environmental remediation costs.
- Sec. 413. Treatment of net operating losses attributable to Louisiana storm and flood disaster area losses.
- Sec. 414. Increased expensing for qualified timber property.
- Sec. 415. Disaster loss carryback.
- Sec. 416. Housing relief for individuals affected by Louisiana storms and flooding.

1 **SEC. 2. LOUISIANA STORM AND FLOOD DISASTER AREA.**

2 For purposes of this Act—

3 (1) LOUISIANA STORM AND FLOOD DISASTER
4 AREA.—The term “Louisiana storm and flood dis-
5 aster area” means an area with respect to which a
6 major disaster has been declared by the President
7 under section 401 of the Robert T. Stafford Disaster
8 Relief and Emergency Assistance Act—

9 (A) before September 3, 2016, by reason
10 of severe storms and flooding occurring in Lou-
11 isiana during August of 2016,

12 (B) before April 21, 2016, by reason of se-
13 vere storms and flooding occurring in Louisiana
14 during March and April of 2016, and

15 (C) before February 12, 2017, by reason
16 of tornadoes, storms, and straight line winds
17 occurring in Louisiana on February 7, 2017.

18 (2) CORE DISASTER AREA.—The term “core
19 disaster area” means that portion of the Louisiana
20 storm and flood disaster area determined by the
21 President to warrant individual or individual and
22 public assistance from the Federal Government
23 under such Act.

24 (3) APPLICABLE DISASTER DATE.—The term
25 “applicable disaster date” means, with respect to
26 any Louisiana storm and flood disaster area, the

1 date of the first day of the period during which the
 2 severe storms and flooding giving rise to the Presi-
 3 dential declaration described in paragraph (1) oc-
 4 curred.

5 **TITLE I—SPECIAL RULES FOR**
 6 **USE OF RETIREMENT FUNDS**
 7 **FOR RELIEF RELATING TO**
 8 **LOUISIANA STORMS AND**
 9 **FLOODING**

10 **SEC. 101. TAX-FAVORED WITHDRAWALS FROM RETIRE-**
 11 **MENT PLANS FOR RELIEF RELATING TO LOU-**
 12 **ISIANA STORMS AND FLOODING.**

13 (a) IN GENERAL.—Section 72(t) of the Internal Rev-
 14 enue Code of 1986 shall not apply to any qualified Lou-
 15 isiana storm and flood distribution.

16 (b) AGGREGATE DOLLAR LIMITATION.—

17 (1) IN GENERAL.—For purposes of this section,
 18 the aggregate amount of distributions received by an
 19 individual which may be treated as qualified Lou-
 20 isiana storm and flood distributions for any taxable
 21 year shall not exceed the excess (if any) of—

22 (A) \$100,000, over

23 (B) the aggregate amounts treated as
 24 qualified Louisiana storm and flood distribu-

1 tions received by such individual for all prior
2 taxable years.

3 (2) TREATMENT OF PLAN DISTRIBUTIONS.—If
4 a distribution to an individual would (without regard
5 to paragraph (1)) be a qualified Louisiana storm
6 and flood distribution, a plan shall not be treated as
7 violating any requirement of the Internal Revenue
8 Code of 1986 merely because the plan treats such
9 distribution as a qualified Louisiana storm and flood
10 distribution, unless the aggregate amount of such
11 distributions from all plans maintained by the em-
12 ployer (and any member of any controlled group
13 which includes the employer) to such individual ex-
14 ceeds \$100,000.

15 (3) CONTROLLED GROUP.—For purposes of
16 paragraph (2), the term “controlled group” means
17 any group treated as a single employer under sub-
18 section (b), (c), (m), or (o) of section 414 of such
19 Code.

20 (c) AMOUNT DISTRIBUTED MAY BE REPAID.—

21 (1) IN GENERAL.—Any individual who receives
22 a qualified Louisiana storm and flood distribution
23 may, at any time during the 3-year period beginning
24 on the day after the date on which such distribution
25 was received, make one or more contributions in an

1 aggregate amount not to exceed the amount of such
2 distribution to an eligible retirement plan of which
3 such individual is a beneficiary and to which a roll-
4 over contribution of such distribution could be made
5 under section 402(c), 403(a)(4), 403(b)(8),
6 408(d)(3), or 457(e)(16) of such Code, as the case
7 may be.

8 (2) TREATMENT OF REPAYMENTS OF DISTRIBUTIONS FROM ELIGIBLE RETIREMENT PLANS OTHER
9 THAN IRAS.—For purposes of such Code, if a con-
10 tribution is made pursuant to paragraph (1) with re-
11 spect to a qualified Louisiana storm and flood dis-
12 tribution from an eligible retirement plan other than
13 an individual retirement plan, then the taxpayer
14 shall, to the extent of the amount of the contribu-
15 tion, be treated as having received the qualified Lou-
16 isiana storm and flood distribution in an eligible roll-
17 over distribution (as defined in section 402(c)(4) of
18 such Code) and as having transferred the amount to
19 the eligible retirement plan in a direct trustee to
20 trustee transfer within 60 days of the distribution.

22 (3) TREATMENT OF REPAYMENTS FOR DIS-
23 TRIBUTIONS FROM IRAS.—For purposes of such
24 Code, if a contribution is made pursuant to para-
25 graph (1) with respect to a qualified Louisiana

1 storm and flood distribution from an individual re-
2 tirement plan (as defined by section 7701(a)(37) of
3 such Code), then, to the extent of the amount of the
4 contribution, the qualified Louisiana storm and flood
5 distribution shall be treated as a distribution de-
6 scribed in section 408(d)(3) of such Code and as
7 having been transferred to the eligible retirement
8 plan in a direct trustee to trustee transfer within 60
9 days of the distribution.

10 (d) DEFINITIONS.—For purposes of this section—

11 (1) QUALIFIED LOUISIANA STORM AND FLOOD-
12 ING DISTRIBUTION.—Except as provided in sub-
13 section (b), the term “qualified Louisiana storm and
14 flooding distribution” means any distribution from
15 an eligible retirement plan made on or after the ap-
16 plicable disaster date, to an individual whose prin-
17 cipal residence on or after such date, is located in
18 the Louisiana storm and flood disaster area and who
19 has sustained an economic loss by reason of the se-
20 vere storms and flooding giving rise to the Presi-
21 dential declaration described in section 2(1).

22 (2) ELIGIBLE RETIREMENT PLAN.—The term
23 “eligible retirement plan” shall have the meaning
24 given such term by section 402(c)(8)(B) of such
25 Code.

1 (e) INCOME INCLUSION SPREAD OVER 3-YEAR PE-
2 RIOD FOR QUALIFIED LOUISIANA STORM AND FLOODING
3 DISTRIBUTIONS.—

4 (1) IN GENERAL.—In the case of any qualified
5 Louisiana storm and flood distribution, unless the
6 taxpayer elects not to have this subsection apply for
7 any taxable year, any amount required to be in-
8 cluded in gross income for such taxable year shall be
9 so included ratably over the 3-taxable-year period
10 beginning with such taxable year.

11 (2) SPECIAL RULE.—For purposes of para-
12 graph (1), rules similar to the rules of subparagraph
13 (E) of section 408A(d)(3) of such Code shall apply.

14 (f) SPECIAL RULES.—

15 (1) EXEMPTION OF DISTRIBUTIONS FROM
16 TRUSTEE TO TRUSTEE TRANSFER AND WITH-
17 HOLDING RULES.—For purposes of sections
18 401(a)(31), 402(f), and 3405 of such Code, qualified
19 Louisiana storm and flood distributions shall not be
20 treated as eligible rollover distributions.

21 (2) QUALIFIED LOUISIANA STORM AND FLOOD-
22 ING DISTRIBUTIONS TREATED AS MEETING PLAN
23 DISTRIBUTION REQUIREMENTS.—For purposes of
24 such Code, a qualified Louisiana storm and flood
25 distribution shall be treated as meeting the require-

1 ments of sections 401(k)(2)(B)(i), 403(b)(7)(A)(ii),
 2 403(b)(11), and 457(d)(1)(A) of such Code.

3 **SEC. 102. RECONTRIBUTIONS OF WITHDRAWALS FOR HOME**
 4 **PURCHASES CANCELED DUE TO THE LOU-**
 5 **ISIANA STORMS AND FLOODING.**

6 (a) RECONTRIBUTIONS.—

7 (1) IN GENERAL.—Any individual who received
 8 a qualified distribution may, during the period be-
 9 ginning on the applicable disaster date, and ending
 10 on December 31, 2017, make one or more contribu-
 11 tions in an aggregate amount not to exceed the
 12 amount of such qualified distribution to an eligible
 13 retirement plan (as defined in section 402(c)(8)(B)
 14 of the Internal Revenue Code of 1986) of which such
 15 individual is a beneficiary and to which a rollover
 16 contribution of such distribution could be made
 17 under section 402(c), 403(a)(4), 403(b)(8), or
 18 408(d)(3) of such Code, as the case may be.

19 (2) TREATMENT OF REPAYMENTS.—Rules simi-
 20 lar to the rules of paragraphs (2) and (3) of section
 21 101(c) of this Act shall apply for purposes of this
 22 section.

23 (b) QUALIFIED DISTRIBUTION DEFINED.—For pur-
 24 poses of this section, the term “qualified distribution”
 25 means any distribution—

1 (1) described in section 401(k)(2)(B)(i)(IV),
 2 403(b)(7)(A)(ii) (but only to the extent such dis-
 3 tribution relates to financial hardship),
 4 403(b)(11)(B), or 72(t)(2)(F) of such Code,
 5 (2)(A) received after—

6 (i) February 10, 2016, and before Au-
 7 gust 11, 2016, in the case of the disaster
 8 specified in section 2(1)(A),

9 (ii) September 30, 2016, and before
 10 April 1, 2017, in the case of the disaster
 11 specified in section 2(1)(B), or

12 (iii) August 7, 2017, and before Feb-
 13 ruary 8, 2018, in the case of the disaster
 14 specified in section 2(1)(C), and

15 (B) which was to be used to purchase or con-
 16 struct a principal residence in the Louisiana storm
 17 and flood disaster area, but which was not so pur-
 18 chased or constructed on account of the severe
 19 storms and flooding giving rise to the Presidential
 20 declaration described in section 2(1).

21 **SEC. 103. LOANS FROM QUALIFIED PLANS FOR RELIEF RE-**
 22 **LATING TO LOUISIANA STORMS AND FLOOD-**
 23 **ING.**

24 (a) INCREASE IN LIMIT ON LOANS NOT TREATED AS
 25 DISTRIBUTIONS.—In the case of any loan from a qualified

1 employer plan (as defined under section 72(p)(4) of the
2 Internal Revenue Code of 1986) to a qualified individual
3 made after the date of enactment of this Act and before
4 January 1, 2018—

5 (1) clause (i) of section 72(p)(2)(A) of such
6 Code shall be applied by substituting “\$100,000”
7 for “\$50,000”, and

8 (2) clause (ii) of such section shall be applied
9 by substituting “the present value of the nonforfeit-
10 able accrued benefit of the employee under the plan”
11 for “one-half of the present value of the nonforfeit-
12 able accrued benefit of the employee under the
13 plan”.

14 (b) DELAY OF REPAYMENT.—In the case of a quali-
15 fied individual with an outstanding loan on or after the
16 date that is 5 days before the applicable disaster date,
17 from a qualified employer plan (as defined in section
18 72(p)(4) of such Code)—

19 (1) if the due date pursuant to subparagraph
20 (B) or (C) of section 72(p)(2) of such Code for any
21 repayment with respect to such loan occurs during
22 the period beginning on the date that is 5 days be-
23 fore the applicable disaster date, and ending on De-
24 cember 31, 2017, such due date shall be delayed for
25 1 year,

1 (2) any subsequent repayments with respect to
2 any such loan shall be appropriately adjusted to re-
3 flect the delay in the due date under paragraph (1)
4 and any interest accruing during such delay, and

5 (3) in determining the 5-year period and the
6 term of a loan under subparagraph (B) or (C) of
7 section 72(p)(2) of such Code, the period described
8 in paragraph (1) shall be disregarded.

9 (c) QUALIFIED INDIVIDUAL.—For purposes of this
10 section, the term “qualified individual” means an indi-
11 vidual whose principal place of abode on the date that is
12 5 days before the applicable disaster date, is located in
13 the Louisiana storm and flood disaster area and who has
14 sustained an economic loss by reason of the severe storms
15 and flooding giving rise to the Presidential declaration de-
16 scribed in section 2(1).

17 **SEC. 104. PROVISIONS RELATING TO PLAN AMENDMENTS.**

18 (a) IN GENERAL.—If this section applies to any
19 amendment to any plan or annuity contract, such plan or
20 contract shall be treated as being operated in accordance
21 with the terms of the plan during the period described in
22 subsection (b)(2)(A).

23 (b) AMENDMENTS TO WHICH SECTION APPLIES.—

1 (1) IN GENERAL.—This section shall apply to
2 any amendment to any plan or annuity contract
3 which is made—

4 (A) pursuant to any amendment made by
5 this title, or pursuant to any regulation issued
6 by the Secretary of the Treasury or the Sec-
7 retary of Labor under this title, and

8 (B) on or before the last day of the first
9 plan year beginning on or after January 1,
10 2018, or such later date as the Secretary of the
11 Treasury may prescribe.

12 In the case of a governmental plan (as defined in
13 section 414(d) of the Internal Revenue Code of
14 1986), subparagraph (B) shall be applied by sub-
15 stituting the date which is 2 years after the date
16 otherwise applied under subparagraph (B).

17 (2) CONDITIONS.—This section shall not apply
18 to any amendment unless—

19 (A) during the period—

20 (i) beginning on the date the legisla-
21 tive or regulatory amendment described in
22 paragraph (1)(A) takes effect (or in the
23 case of a plan or contract amendment not
24 required by such legislative or regulatory

1 amendment, the effective date specified by
2 the plan), and

3 (ii) ending on the date described in
4 paragraph (1)(B) (or, if earlier, the date
5 the plan or contract amendment is adopt-
6 ed),

7 the plan or contract is operated as if such plan
8 or contract amendment were in effect, and

9 (B) such plan or contract amendment ap-
10 plies retroactively for such period.

11 **TITLE J—EMPLOYMENT RELIEF**

12 **SEC. 201. WORK OPPORTUNITY TAX CREDIT FOR LOU-** 13 **ISIANA STORM AND FLOOD EMPLOYEES.**

14 (a) IN GENERAL.—For purposes of section 51 of the
15 Internal Revenue Code of 1986, a Louisiana storm and
16 flood employee shall be treated as a member of a targeted
17 group.

18 (b) LOUISIANA STORM AND FLOOD EMPLOYEE.—
19 For purposes of this section, the term “Louisiana storm
20 and flood employee” means—

21 (1) any individual who on the applicable dis-
22 aster date, had a principal place of abode in the core
23 disaster area and who is hired before January 1,
24 2019, for a position the principal place of employ-

1 ment of which is located in the core disaster area,
2 and

3 (2) any individual who on such date had a prin-
4 cipal place of abode in the core disaster area, who
5 is displaced from such abode by reason of the severe
6 storms and flooding giving rise to the Presidential
7 declaration described in section 2(1), and who is
8 hired during the period beginning on such date and
9 ending on December 31, 2017.

10 (c) REASONABLE IDENTIFICATION ACCEPTABLE.—In
11 lieu of the certification requirement under section
12 51(d)(13)(A) of such Code, an individual may provide to
13 the employer reasonable evidence that the individual is a
14 Louisiana storm and flood employee, and subparagraph
15 (B) of such section shall be applied as if such evidence
16 were a certification described in such subparagraph.

17 (d) SPECIAL RULES FOR DETERMINING CREDIT.—
18 For purposes of applying subpart F of part IV of sub-
19 chapter A of chapter 1 of such Code to wages paid or in-
20 curred to any Louisiana storm and flood employee—

21 (1) section 51(c)(4) of such Code shall not
22 apply, and

23 (2) section 51(i)(2) of such Code shall not
24 apply with respect to the first hire of such employee
25 as a Louisiana storm and flood employee, unless

1 such employee was an employee of the employer on
2 the applicable disaster date.

3 **SEC. 202. EMPLOYEE RETENTION CREDIT FOR EMPLOYERS**
4 **AFFECTED BY LOUISIANA STORMS AND**
5 **FLOODING.**

6 (a) IN GENERAL.—In the case of an eligible em-
7 ployer, there shall be allowed as a credit against the tax
8 imposed by chapter 1 of the Internal Revenue Code of
9 1986 for the taxable year an amount equal to 40 percent
10 of the qualified wages with respect to each eligible em-
11 ployee of such employer for such taxable year. For pur-
12 poses of the preceding sentence, the amount of qualified
13 wages which may be taken into account with respect to
14 any individual shall not exceed \$6,000.

15 (b) DEFINITIONS.—For purposes of this section—

16 (1) ELIGIBLE EMPLOYER.—The term “eligible
17 employer” means any employer—

18 (A) which conducted an active trade or
19 business on the applicable disaster date, in a
20 core disaster area, and

21 (B) with respect to whom the trade or
22 business described in subparagraph (A) is inop-
23 erable on or after the applicable disaster date,
24 and before January 1, 2018, as a result of
25 damage sustained by reason of the severe

1 storms and flooding giving rise to the Presi-
2 dential declaration described in section 2(1).

3 (2) ELIGIBLE EMPLOYEE.—The term “eligible
4 employee” means with respect to an eligible em-
5 ployer an employee whose principal place of employ-
6 ment on the applicable disaster date, with such eligi-
7 ble employer was in a core disaster area.

8 (3) QUALIFIED WAGES.—The term “qualified
9 wages” means wages (as defined in section 51(c)(1)
10 of such Code, but without regard to section
11 3306(b)(2)(B) of such Code) paid or incurred by an
12 eligible employer with respect to an eligible employee
13 on or after the applicable disaster date, and before
14 January 1, 2018, which occurs during the period—

15 (A) beginning on the date on which the
16 trade or business described in paragraph (1)
17 first became inoperable at the principal place of
18 employment of the employee immediately before
19 the severe storms and flooding giving rise to the
20 Presidential declaration described in section
21 2(1), and

22 (B) ending on the date on which such
23 trade or business has resumed significant oper-
24 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 different place of employment
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) CREDIT NOT ALLOWED FOR LARGE BUSI-
8 NESSES.—The term “eligible employer” shall not include
9 any trade or business for any taxable year if such trade
10 or business employed an average of more than 200 em-
11 ployees on business days during the taxable year.

12 (d) CERTAIN RULES TO APPLY.—For purposes of
13 this section, rules similar to the rules of sections 51(i)(1),
14 52, and 280C(a) of such Code shall apply.

15 (e) EMPLOYEE NOT TAKEN INTO ACCOUNT MORE
16 THAN ONCE.—An employee shall not be treated as an eli-
17 gible employee for purposes of this section for any period
18 with respect to any employer if such employer is allowed
19 a credit under section 51 of such Code with respect to
20 such employee for such period.

21 (f) CREDIT TO BE PART OF GENERAL BUSINESS
22 CREDIT.—The credit allowed under this section shall be
23 added to the current year business credit under section
24 38(b) of such Code and shall be treated as a credit allowed

1 under subpart D of part IV of subchapter A of chapter
2 1 of such Code.

3 **TITLE K—CHARITABLE GIVING** 4 **INCENTIVES**

5 **SEC. 301. TEMPORARY SUSPENSION OF LIMITATIONS ON** 6 **CHARITABLE CONTRIBUTIONS.**

7 (a) IN GENERAL.—Except as otherwise provided in
8 subsection (b), section 170(b) of the Internal Revenue
9 Code of 1986 shall not apply to qualified contributions and
10 such contributions shall not be taken into account for pur-
11 poses of applying subsections (b) and (d) of section 170
12 of such Code to other contributions.

13 (b) TREATMENT OF EXCESS CONTRIBUTIONS.—For
14 purposes of section 170 of such Code—

15 (1) INDIVIDUALS.—In the case of an indi-
16 vidual—

17 (A) LIMITATION.—Any qualified contribu-
18 tion shall be allowed only to the extent that the
19 aggregate of such contributions does not exceed
20 the excess of the taxpayer's contribution base
21 (as defined in subparagraph (G) of section
22 170(b)(1) of such Code) over the amount of all
23 other charitable contributions allowed under
24 such section 170(b)(1).

1 (B) CARRYOVER.—If the aggregate
 2 amount of qualified contributions made in the
 3 contribution year (within the meaning of section
 4 170(d)(1) of such Code) exceeds the limitation
 5 of subparagraph (A), such excess shall be added
 6 to the excess described in the portion of sub-
 7 paragraph (A) of such section which precedes
 8 clause (i) thereof for purposes of applying such
 9 section.

10 (2) CORPORATIONS.—In the case of a corpora-
 11 tion—

12 (A) LIMITATION.—Any qualified contribu-
 13 tion shall be allowed only to the extent that the
 14 aggregate of such contributions does not exceed
 15 the excess of the taxpayer's taxable income (as
 16 determined under paragraph (2) of section
 17 170(b) of such Code) over the amount of all
 18 other charitable contributions allowed under
 19 such paragraph.

20 (B) CARRYOVER.—Rules similar to the
 21 rules of paragraph (1)(B) shall apply for pur-
 22 poses of this paragraph.

23 (c) EXCEPTION TO OVERALL LIMITATION ON
 24 ITEMIZED DEDUCTIONS.—So much of any deduction al-
 25 lowed under section 170 of such Code as does not exceed

1 the qualified contributions paid during the taxable year
2 shall not be treated as an itemized deduction for purposes
3 of section 68 of such Code.

4 (d) QUALIFIED CONTRIBUTIONS.—

5 (1) IN GENERAL.—For purposes of this section,
6 the term “qualified contribution” means any chari-
7 table contribution (as defined in section 170(c) of
8 such Code)—

9 (A) paid during the period beginning on
10 the applicable disaster date, and ending on Au-
11 gust 31, 2017, in cash to an organization de-
12 scribed in section 170(b)(1)(A) of such Code
13 (other than an organization described in section
14 509(a)(3) of such Code),

15 (B) in the case of a contribution paid by
16 a corporation, such contribution is for relief ef-
17 forts related to the severe storms and flooding
18 giving rise to the Presidential declaration de-
19 scribed in section 2(1), and

20 (C) with respect to which the taxpayer has
21 elected the application of this section.

22 (2) EXCEPTION.—Such term shall not include a
23 contribution if the contribution is for establishment
24 of a new, or maintenance in an existing, segregated
25 fund or account with respect to which the donor (or

1 any person appointed or designated by such donor)
 2 has, or reasonably expects to have, advisory privi-
 3 leges with respect to distributions or investments by
 4 reason of the donor's status as a donor.

5 (3) APPLICATION OF ELECTION TO PARTNER-
 6 SHIPS AND S CORPORATIONS.—In the case of a part-
 7 nership or S corporation, the election under para-
 8 graph (1)(C) shall be made separately by each part-
 9 ner or shareholder.

10 **SEC. 302. ADDITIONAL EXEMPTION FOR HOUSING LOU-**
 11 **ISIANA STORM AND FLOOD DISPLACED INDIV-**
 12 **VIDUALS.**

13 (a) IN GENERAL.—In the case of taxable years of a
 14 natural person beginning in 2016 or 2017, for purposes
 15 of the Internal Revenue Code of 1986, taxable income
 16 shall be reduced by \$600 for each Louisiana storm and
 17 flood displaced individual of the taxpayer for the taxable
 18 year.

19 (b) LIMITATIONS.—

20 (1) DOLLAR LIMITATION.—The reduction under
 21 subsection (a) shall not exceed \$2,500, reduced by
 22 the amount of the reduction under this section for
 23 all prior taxable years.

24 (2) INDIVIDUALS TAKEN INTO ACCOUNT ONLY
 25 ONCE.—An individual shall not be taken into ac-

1 count under subsection (a) if such individual was
2 taken into account under such subsection by the tax-
3 payer for any prior taxable year.

4 (3) IDENTIFYING INFORMATION REQUIRED.—

5 An individual shall not be taken into account under
6 subsection (a) for a taxable year unless the taxpayer
7 identification number of such individual is included
8 on the return of the taxpayer for such taxable year.

9 (c) LOUISIANA STORM AND FLOOD DISPLACED INDIVIDUAL.—For purposes of this section, the term “Lou-
10 isiana storm and flood displaced individual” means, with
11 respect to any taxpayer for any taxable year, any natural
12 person if—
13

14 (1) such person’s principal place of abode on
15 the applicable disaster date, was in the Louisiana
16 storm and flood disaster area,

17 (2)(A) in the case of such an abode located in
18 the core disaster area, such person is displaced from
19 such abode, or

20 (B) in the case of such an abode located outside
21 of the core disaster area, such person is displaced
22 from such abode, and—

23 (i) such abode was damaged by the severe
24 storms and flooding giving rise to the Presi-
25 dential declaration described in section 2(1), or

1 (ii) such person was evacuated from such
2 abode by reason of such storms and flooding,
3 and

4 (3) such person is provided housing free of
5 charge by the taxpayer in the principal residence of
6 the taxpayer for a period of 60 consecutive days
7 which ends in such taxable year.

8 Such term shall not include the spouse or any dependent
9 of the taxpayer.

10 (d) COMPENSATION FOR HOUSING.—No deduction
11 shall be allowed under this section if the taxpayer receives
12 any rent or other amount (from any source) in connection
13 with the providing of such housing.

14 **SEC. 303. INCREASE IN STANDARD MILEAGE RATE FOR**
15 **CHARITABLE USE OF VEHICLES.**

16 Notwithstanding section 170(i) of the Internal Rev-
17 enue Code of 1986, for purposes of computing the deduc-
18 tion under section 170 of such Code for use of a vehicle
19 described in subsection (f)(12)(E)(i) of such section for
20 provision of relief during the period beginning on the ap-
21 plicable disaster date, and ending on December 31, 2017,
22 and related to the severe storms and flooding giving rise
23 to the Presidential declaration described in section 2(1),
24 the standard mileage rate shall be 70 percent of the stand-
25 ard mileage rate in effect under section 162(a) of such

1 Code at the time of such use. Any increase under this sec-
2 tion shall be rounded to the next highest cent.

3 **SEC. 304. MILEAGE REIMBURSEMENTS TO CHARITABLE**
4 **VOLUNTEERS EXCLUDED FROM GROSS IN-**
5 **COME.**

6 (a) IN GENERAL.—For purposes of the Internal Rev-
7 enue Code of 1986, gross income of an individual for tax-
8 able years ending on or after the applicable disaster date,
9 does not include amounts received, from an organization
10 described in section 170(c) of such Code, as reimburse-
11 ment of operating expenses with respect to use of a pas-
12 senger automobile for the benefit of such organization in
13 connection with providing relief during the period begin-
14 ning on the applicable disaster date, and ending on De-
15 cember 31, 2017, and relating to the severe storms and
16 flooding giving rise to the Presidential declaration de-
17 scribed in section 2(1). The preceding sentence shall apply
18 only to the extent that the expenses which are reimbursed
19 would be deductible under chapter 1 of such Code if sec-
20 tion 274(d) of such Code were applied—

21 (1) by using the standard business mileage rate
22 in effect under section 162(a) at the time of such
23 use, and

1 (2) as if the individual were an employee of an
 2 organization not described in section 170(c) of such
 3 Code.

4 (b) APPLICATION TO VOLUNTEER SERVICES
 5 ONLY.—Subsection (a) shall not apply with respect to any
 6 expenses relating to the performance of services for com-
 7 pensation.

8 (c) NO DOUBLE BENEFIT.—No deduction or credit
 9 shall be allowed under any other provision of such Code
 10 with respect to the expenses excludable from gross income
 11 under subsection (a).

12 **SEC. 305. CHARITABLE DEDUCTION FOR CONTRIBUTIONS**
 13 **OF BOOK INVENTORIES TO PUBLIC SCHOOLS.**

14 (a) IN GENERAL.—For purposes of section 170 of the
 15 Internal Revenue Code of 1986, subsection (e)(3)(D) shall
 16 be applied—

17 (1) as if clause (iv) thereof applied to the period
 18 beginning on the applicable disaster date and ending
 19 on December 31, 2017, and

20 (2) to a qualified book contribution to a public
 21 school located in the core disaster area.

22 (b) QUALIFIED BOOK CONTRIBUTION.—For pur-
 23 poses of subsection (a), the term “qualified book contribu-
 24 tion” has the meaning given such term by section
 25 170(e)(3)(D)(ii) of the Internal Revenue Code of 1986.

**TITLE L—ADDITIONAL TAX
RELIEF PROVISIONS**

**SEC. 401. EXCLUSIONS OF CERTAIN CANCELLATIONS OF IN-
DEBTEDNESS BY REASON OF LOUISIANA
STORMS AND FLOODING.**

(a) IN GENERAL.—For purposes of the Internal Revenue Code of 1986, gross income shall not include any amount which (but for this section) would be includible in gross income by reason of the discharge (in whole or in part) of indebtedness of a natural person described in subsection (b) by an applicable entity (as defined in section 6050P(c)(1) of such Code).

(b) PERSONS DESCRIBED.—A natural person is described in this subsection if the principal place of abode of such person on the applicable disaster date, was located—

(1) in the core disaster area, or

(2) in the Louisiana storm and flood disaster area (but outside the core disaster area) and such person suffered economic loss by reason of the severe storms and flooding giving rise to the Presidential declaration described in section 2(1).

(c) EXCEPTIONS.—

1 (1) BUSINESS INDEBTEDNESS.—Subsection (a)
2 shall not apply to any indebtedness incurred in con-
3 nection with a trade or business.

4 (2) REAL PROPERTY OUTSIDE CORE DISASTER
5 AREA.—Subsection (a) shall not apply to any dis-
6 charge of indebtedness to the extent that real prop-
7 erty constituting security for such indebtedness is lo-
8 cated outside of the Louisiana storm and flood dis-
9 aster area.

10 (d) DENIAL OF DOUBLE BENEFIT.—For purposes of
11 the Internal Revenue Code of 1986, the amount excluded
12 from gross income under subsection (a) shall be treated
13 in the same manner as an amount excluded under section
14 108(a) of such Code.

15 (e) EFFECTIVE DATE.—This section shall apply to
16 discharges made on or after the applicable disaster date,
17 and before January 1, 2018.

18 **SEC. 402. SUSPENSION OF CERTAIN LIMITATIONS ON PER-**
19 **SONAL CASUALTY LOSSES.**

20 Paragraphs (1) and (2)(A) of section 165(h) of the
21 Internal Revenue Code of 1986 shall not apply to losses
22 described in section 165(c)(3) of such Code which arise
23 in the Louisiana storm and flood disaster area on or after
24 the applicable disaster date, and which are attributable to
25 the severe storms and flooding giving rise to the Presi-

1 denial declaration described in section 2(1). In the case
2 of any other losses, section 165(h)(2)(A) of such Code
3 shall be applied without regard to the losses referred to
4 in the preceding sentence.

5 **SEC. 403. REQUIRED EXERCISE OF AUTHORITY UNDER SEC-**
6 **TION 7508A FOR TAX RELIEF RELATING TO**
7 **LOUISIANA STORMS AND FLOODING.**

8 (a) IN GENERAL.—In the case of any taxpayer deter-
9 mined by the Secretary of the Treasury to be affected by
10 the Presidentially declared disaster relating to the severe
11 storms and flooding giving rise to the Presidential declara-
12 tion described in section 2(1)—

13 (1) any relief provided by the Secretary of the
14 Treasury under section 7508A of the Internal Rev-
15 enue Code of 1986 shall be for a period ending not
16 earlier than August 31, 2017, and shall be treated
17 as applying to the filing of returns relating to, and
18 the payment of, employment and excise taxes; and

19 (2) with respect to any income tax liability, the
20 Secretary of the Treasury shall abate any interest,
21 penalty, additional amount, or addition to tax which
22 accrued during the period beginning on August 11,
23 2016, and ending on January 17, 2017.

1 (b) EFFECTIVE DATE.—Subsection (a) shall apply
 2 for any period for performing an act which has not expired
 3 before the applicable disaster date.

4 **SEC. 404. SPECIAL RULES FOR MORTGAGE REVENUE**
 5 **BONDS RELATING TO LOUISIANA STORMS**
 6 **AND FLOODING.**

7 (a) IN GENERAL.—In the case of financing provided
 8 with respect to a qualified Louisiana storm and flood re-
 9 covery residence, section 143(d) of the Internal Revenue
 10 Code of 1986 shall be applied as if such residence were
 11 a targeted area residence.

12 (b) QUALIFIED LOUISIANA STORMS AND FLOODING
 13 RECOVERY RESIDENCE.—For purposes of this section, the
 14 term “qualified Louisiana storm and flood recovery resi-
 15 dence” means—

16 (1) any residence in the core disaster area, and
 17 (2) any other residence if—

18 (A) such other residence is located in the
 19 same State as the principal residence referred
 20 to in subparagraph (B), and

21 (B) the mortgagor with respect to such
 22 other residence owned a principal residence on
 23 the applicable disaster date, which—

24 (i) was located in the Louisiana storm
 25 and flood disaster area, and

1 (ii) was rendered uninhabitable by
2 reason of the severe storms and flooding
3 giving rise to the Presidential declaration
4 described in section 2(1).

5 (c) SPECIAL RULE FOR HOME IMPROVEMENT
6 LOANS.—In the case of any loan with respect to a resi-
7 dence in the Louisiana storm and flood disaster area, sec-
8 tion 143(k)(4) of such Code shall be applied by sub-
9 stituting \$150,000 for the dollar amount contained there-
10 in to the extent such loan is for the repair of damage by
11 reason of the severe storms and flooding giving rise to the
12 Presidential declaration described in section 2(1).

13 (d) APPLICATION.—Subsection (a) shall not apply to
14 financing provided after December 31, 2018.

15 **SEC. 405. EXTENSION OF REPLACEMENT PERIOD FOR NON-**
16 **RECOGNITION OF GAIN FOR PROPERTY LO-**
17 **CATED IN LOUISIANA STORM AND FLOOD**
18 **DISASTER AREA.**

19 Section 1033(a)(2)(B)(i) of the Internal Revenue
20 Code of 1986 shall be applied by substituting “5 years”
21 for “2 years” with respect to property in the Louisiana
22 storm and flood disaster area which is compulsorily or in-
23 voluntarily converted on or after the applicable disaster
24 date, by reason of the severe storms and flooding giving
25 rise to the Presidential declaration described in section

1 2(1), but only if substantially all of the use of the replace-
 2 ment property is in such area.

3 **SEC. 406. SPECIAL RULE FOR DETERMINING EARNED IN-**
 4 **COME.**

5 (a) IN GENERAL.—In the case of a qualified indi-
 6 vidual, if the earned income of the taxpayer for the taxable
 7 year which includes the applicable disaster date, is less
 8 than the earned income of the taxpayer for the preceding
 9 taxable year, the credits allowed under sections 24(d) and
 10 32 of the Internal Revenue Code of 1986 may, at the elec-
 11 tion of the taxpayer, be determined by substituting—

12 (1) such earned income for the preceding tax-
 13 able year, for

14 (2) such earned income for the taxable year
 15 which includes the applicable disaster date.

16 (b) QUALIFIED INDIVIDUAL.—For purposes of this
 17 section, the term “qualified individual” means any indi-
 18 vidual whose principal place of abode on the applicable dis-
 19 aster date, was located—

20 (1) in the core disaster area, or

21 (2) in the Louisiana storm and flood disaster
 22 area (but outside the core disaster area) and such
 23 individual was displaced from such principal place of
 24 abode by reason of the severe storms and flooding

1 giving rise to the Presidential declaration described
2 in section 2(1).

3 (c) EARNED INCOME.—For purposes of this section,
4 the term “earned income” has the meaning given such
5 term under section 32(c) of such Code.

6 (d) SPECIAL RULES.—

7 (1) APPLICATION TO JOINT RETURNS.—For
8 purposes of subsection (a), in the case of a joint re-
9 turn for a taxable year which includes the applicable
10 disaster date—

11 (A) such subsection shall apply if either
12 spouse is a qualified individual, and

13 (B) the earned income of the taxpayer for
14 the preceding taxable year shall be the sum of
15 the earned income of each spouse for such pre-
16 ceding taxable year.

17 (2) UNIFORM APPLICATION OF ELECTION.—
18 Any election made under subsection (a) shall apply
19 with respect to both section 24(d) and section 32 of
20 such Code.

21 (3) ERRORS TREATED AS MATHEMATICAL
22 ERROR.—For purposes of section 6213 of such
23 Code, an incorrect use on a return of earned income
24 pursuant to subsection (a) shall be treated as a
25 mathematical or clerical error.

1 (4) NO EFFECT ON DETERMINATION OF GROSS
2 INCOME, ETC.—Except as otherwise provided in this
3 section, the Internal Revenue Code of 1986 shall be
4 applied without regard to any substitution under
5 subsection (a).

6 **SEC. 407. SECRETARIAL AUTHORITY TO MAKE ADJUST-**
7 **MENTS REGARDING TAXPAYER AND DEPEND-**
8 **ENCY STATUS.**

9 With respect to taxable years beginning in 2016 or
10 2017, the Secretary of the Treasury or the Secretary's del-
11 egate may make such adjustments in the application of
12 the internal revenue laws as may be necessary to ensure
13 that taxpayers do not lose any deduction or credit or expe-
14 rience a change of filing status by reason of temporary
15 relocations by reason of the severe storms and flooding
16 giving rise to the Presidential declaration described in sec-
17 tion 2(1). Any adjustments made under the preceding sen-
18 tence shall ensure that an individual is not taken into ac-
19 count by more than one taxpayer with respect to the same
20 tax benefit.

21 **SEC. 408. LOW-INCOME HOUSING CREDIT.**

22 (a) ADDITIONAL HOUSING CREDIT DOLLAR
23 AMOUNT.—

24 (1) IN GENERAL.—For purposes of section 42
25 of the Internal Revenue Code of 1986, in the case

1 of calendar years 2017, 2018, and 2019, the State
2 housing credit ceiling of Louisiana shall be increased
3 by the lesser of—

4 (A) the aggregate housing credit dollar
5 amount allocated by the State housing credit
6 agency of Louisiana to buildings located in the
7 Louisiana storm and flood disaster area for
8 such calendar year, or

9 (B) the Louisiana storm and flood housing
10 amount for such State for such calendar year.

11 (2) LOUISIANA STORM AND FLOOD HOUSING
12 AMOUNT.—For purposes of paragraph (1), the term
13 “Louisiana storm and flood housing amount”
14 means, for any calendar year, the amount equal to
15 the product of \$18.00 multiplied by the portion of
16 the Louisiana population which is in the Louisiana
17 storm and flood disaster area (as determined on the
18 basis of the most recent census estimate of resident
19 population released by the Bureau of the Census be-
20 fore August 28, 2016).

21 (3) ALLOCATIONS TREATED AS MADE FIRST
22 FROM ADDITIONAL ALLOCATION AMOUNT FOR PUR-
23 POSES OF DETERMINING CARRYOVER.—For pur-
24 poses of determining the unused State housing cred-
25 it ceiling under section 42(h)(3)(C) of such Code for

1 any calendar year, any increase in the State housing
2 credit ceiling under paragraph (1) shall be treated
3 as an amount described in clause (ii) of such section.

4 (b) ADDITIONAL HOUSING CREDIT DOLLAR AMOUNT
5 FOR LOUISIANA.—For purposes of section 42 of such
6 Code, in the case of calendar years 2017 and 2018, the
7 State housing credit ceiling of Louisiana shall each be in-
8 creased by \$3,500,000.

9 (c) DIFFICULT DEVELOPMENT AREA.—

10 (1) IN GENERAL.—For purposes of section 42
11 of such Code, in the case of property placed in serv-
12 ice during the period beginning on January 1, 2017,
13 and ending on December 31, 2021, the Louisiana
14 storm and flood disaster area—

15 (A) shall be treated as difficult develop-
16 ment areas designated under subclause (I) of
17 section 42(d)(5)(B)(iii) of such Code, and

18 (B) shall not be taken into account for
19 purposes of applying the limitation under sub-
20 clause (II) of such section.

21 (2) APPLICATION.—Paragraph (1) shall apply
22 only to—

23 (A) housing credit dollar amounts allocated
24 during the period beginning on January 1,
25 2017, and ending on December 31, 2019, and

1 (B) buildings placed in service during the
2 period described in paragraph (1) to the extent
3 that paragraph (1) of section 42(h) does not
4 apply to any building by reason of paragraph
5 (4) thereof, but only with respect to bonds
6 issued after December 31, 2016.

7 (d) SPECIAL RULE FOR APPLYING INCOME TESTS.—

8 In the case of property placed in service—

9 (1) during 2017, 2018, or 2019,

10 (2) in the Louisiana storm and flood disaster
11 area, and

12 (3) in a nonmetropolitan area (as defined in
13 section 42(d)(5)(B)(iv)(IV)),

14 section 42 of such Code shall be applied by substituting
15 “national nonmetropolitan median gross income (deter-
16 mined under rules similar to the rules of section
17 142(d)(2)(B))” for “area median gross income” in sub-
18 paragraphs (A) and (B) of section 42(g)(1) of such Code.

19 (e) DEFINITIONS.—Any term used in this section
20 which is also used in section 42 shall have the same mean-
21 ing as when used in such section.

1 **SEC. 409. APPLICATION OF NEW MARKETS TAX CREDIT TO**
2 **INVESTMENTS IN COMMUNITY DEVELOP-**
3 **MENT ENTITIES SERVING LOUISIANA STORM**
4 **AND FLOOD DISASTER AREA.**

5 For purposes of section 45D of the Internal Revenue
6 Code of 1986—

7 (1) a qualified community development entity
8 shall be eligible for an allocation under subsection
9 (f)(2) thereof of the increase in the new markets tax
10 credit limitation described in paragraph (2) only if
11 a significant mission of such entity is the recovery
12 and redevelopment of the Louisiana storm and flood
13 disaster area,

14 (2) the new markets tax credit limitation other-
15 wise determined under subsection (f)(1) thereof shall
16 be increased by an amount equal to—

17 (A) \$300,000,000 for 2016 and 2017, to
18 be allocated among qualified community devel-
19 opment entities to make qualified low-income
20 community investments within the Louisiana
21 storm and flood disaster area, and

22 (B) \$400,000,000 for 2018, to be so allo-
23 cated, and

24 (3) subsection (f)(3) thereof shall be applied
25 separately with respect to the amount of the increase
26 under paragraph (2).

1 **SEC. 410. TAX-EXEMPT BOND FINANCING.**

2 (a) IN GENERAL.—For purposes of the Internal Rev-
3 enue Code of 1986—

4 (1) any qualified Louisiana storm and flood dis-
5 aster area bond described in paragraph (2)(A)(i)
6 shall be treated as an exempt facility bond, and

7 (2) any qualified Louisiana storm and flood dis-
8 aster area bond described in paragraph (2)(A)(ii)
9 shall be treated as a qualified mortgage bond.

10 (b) QUALIFIED LOUISIANA STORM AND FLOOD DIS-
11 ASTER AREA BOND.—For purposes of this subsection, the
12 term “qualified Louisiana storm and flood disaster area
13 bond” means any bond issued as part of an issue if—

14 (1)(A) 95 percent or more of the net proceeds
15 (as defined in section 150(a)(3) of such Code) of
16 such issue are to be used for qualified project costs,
17 or

18 (B) such issue meets the requirements of a
19 qualified mortgage issue, except as otherwise pro-
20 vided in this subsection,

21 (2) such bond is issued by Louisiana, or any
22 political subdivision thereof,

23 (3) such bond is designated for purposes of this
24 section by—

25 (A) in the case of a bond which is required
26 under State law to be approved by the bond

1 commission of Louisiana, such bond commis-
2 sion, and

3 (B) in the case of any other bond, the Gov-
4 ernor of Louisiana,

5 (4) such bond is issued after the date of the en-
6 actment of this section and before January 1, 2023,
7 and

8 (5) no portion of the proceeds of such issue is
9 to be used to provide any property described in sec-
10 tion 144(c)(6)(B) of such Code.

11 (c) LIMITATION ON BONDS.—

12 (1) AGGREGATE AMOUNT DESIGNATED.—The
13 maximum aggregate face amount of bonds which
14 may be designated under this subsection with re-
15 spect to any State shall not exceed the product of
16 \$2,500 multiplied by the portion of the Louisiana
17 population which is in the Louisiana storm and flood
18 disaster area (as determined on the basis of the
19 most recent census estimate of resident population
20 released by the Bureau of the Census before August
21 28, 2016).

22 (2) MOVABLE PROPERTY.—No bonds shall be
23 issued which are to be used for movable fixtures and
24 equipment.

1 (d) QUALIFIED PROJECT COSTS.—For purposes of
2 this subsection, the term “qualified project costs”
3 means—

4 (1) the cost of any qualified residential rental
5 project (as defined in section 142(d) of such Code)
6 located in the Louisiana storm and flood disaster
7 area, and

8 (2) the cost of acquisition, construction, recon-
9 struction, and renovation of—

10 (A) nonresidential real property (including
11 fixed improvements associated with such prop-
12 erty) located in the Louisiana storm and flood
13 disaster area, and

14 (B) public utility property (as defined in
15 section 168(i)(10) of such Code) located in the
16 Louisiana storm and flood disaster area.

17 (e) SPECIAL RULES.—In applying this title to any
18 qualified Louisiana storm and flood disaster area bond,
19 the following modifications shall apply:

20 (1) Section 142(d)(1) of such Code (defining
21 qualified residential rental project) shall be ap-
22 plied—

23 (A) by substituting “60 percent” for “50
24 percent” in subparagraph (A) thereof, and

1 (B) by substituting “70 percent” for “60
2 percent” in subparagraph (B) thereof.

3 (2) Section 143 of such Code (relating to mort-
4 gage revenue bonds: qualified mortgage bond and
5 qualified veterans’ mortgage bond) shall be ap-
6 plied—

7 (A) only with respect to owner-occupied
8 residences in the Louisiana storm and flood dis-
9 aster area,

10 (B) by treating any such residence in the
11 Louisiana storm and flood disaster area as a
12 targeted area residence,

13 (C) by applying subsection (f)(3) thereof
14 without regard to subparagraph (A) thereof,
15 and

16 (D) by substituting “\$150,000” for
17 “\$15,000” in subsection (k)(4) thereof.

18 (3) Except as provided in section 143 of such
19 Code, repayments of principal on financing provided
20 by the issue of which such bond is a part may not
21 be used to provide financing.

22 (4) Section 146 of such Code (relating to vol-
23 ume cap) shall not apply.

24 (5) Section 147(d)(2) of such Code (relating to
25 acquisition of existing property not permitted) shall

1 be applied by substituting “50 percent” for “15 per-
 2 cent” each place it appears.

3 (6) Section 148(f)(4)(C) of such Code (relating
 4 to exception from rebate for certain proceeds to be
 5 used to finance construction expenditures) shall
 6 apply to the available construction proceeds of bonds
 7 which are part of an issue described in subsection
 8 (b)(1)(A).

9 (7) Section 57(a)(5) of such Code (relating to
 10 tax-exempt interest) shall not apply.

11 (f) SPECIAL RULE FOR REPAIRS AND RECONSTRUC-
 12 TIONS.—

13 (1) IN GENERAL.—For purposes of section 143
 14 of the Internal Revenue Code of 1986 and this sec-
 15 tion, any qualified Louisiana storm and flood dis-
 16 aster area repair or reconstruction shall be treated
 17 as a qualified rehabilitation.

18 (2) QUALIFIED LOUISIANA STORM AND FLOOD
 19 DISASTER AREA REPAIR OR RECONSTRUCTION.—For
 20 purposes of subparagraph (A), the term “qualified
 21 Louisiana storm and flood disaster area repair or re-
 22 construction” means any repair of damage caused by
 23 the severe storms and flooding giving rise to the
 24 Presidential declaration described in section 2(1) (or
 25 reconstruction of such building in the case of dam-

1 age constituting destruction) if the expenditures for
2 such repair or reconstruction are 25 percent or more
3 of the mortgagor's adjusted basis in the residence.
4 For purposes of the preceding sentence, the mortga-
5 gor's adjusted basis shall be determined as of the
6 completion of the repair or reconstruction or, if
7 later, the date on which the mortgagor acquires the
8 residence.

9 (3) TERMINATION.—This paragraph shall apply
10 only to owner-financing provided after the date of
11 the enactment of this subsection and before January
12 1, 2023.

13 **SEC. 411. EXPENSING FOR CERTAIN DEMOLITION AND**
14 **CLEAN-UP COSTS.**

15 (a) IN GENERAL.—A taxpayer may elect to treat 50
16 percent of any qualified Louisiana storm and flood dis-
17 aster area clean-up cost as an expense which is not charge-
18 able to capital account. Any cost so treated shall be al-
19 lowed as a deduction for the taxable year in which such
20 cost is paid or incurred.

21 (b) QUALIFIED LOUISIANA STORM AND FLOOD DIS-
22 ASTER AREA CLEAN-UP COST.—For purposes of this sub-
23 section, the term “qualified Louisiana storm and flood dis-
24 aster area clean-up cost” means any amount paid or in-
25 curred during the period beginning on the applicable dis-

1 aster date, and ending on December 31, 2018, for the re-
 2 moval of debris from, or the demolition of structures on,
 3 real property which is located in the Louisiana storm and
 4 flood disaster area and which is—

5 (1) held by the taxpayer for use in a trade or
 6 business or for the production of income, or

7 (2) property described in section 1221(a)(1) in
 8 the hands of the taxpayer.

9 For purposes of the preceding sentence, amounts paid or
 10 incurred shall be taken into account only to the extent that
 11 such amount would (but for subsection (a)) be chargeable
 12 to capital account.

13 **SEC. 412. EXTENSION OF EXPENSING FOR ENVIRON-**
 14 **MENTAL REMEDIATION COSTS.**

15 With respect to any qualified environmental remedi-
 16 ation expenditure (as defined in section 198(b)) paid or
 17 incurred on or after the applicable disaster date, in con-
 18 nection with a qualified contaminated site located in the
 19 Louisiana storm and flood disaster area, section 198 (re-
 20 lating to expensing of environmental remediation costs)
 21 shall be applied—

22 (1) in the case of expenditures paid or incurred
 23 on or after the applicable disaster date, and before
 24 January 1, 2019, by substituting “December 31,
 25 2018” for the date contained in section 198(h), and

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

4 **SEC. 413. TREATMENT OF NET OPERATING LOSSES ATTRIB-**
 5 **UTABLE TO LOUISIANA STORM AND FLOOD**
 6 **DISASTER AREA LOSSES.**

7 (a) IN GENERAL.—If a portion of any net operating
 8 loss of the taxpayer for any taxable year is a qualified
 9 Louisiana storm and flood disaster area loss, the following
 10 rules shall apply:

11 (1) EXTENSION OF CARRYBACK PERIOD.—Sec-
 12 tion 172(b)(1) of the Internal Revenue Code of 1986
 13 shall be applied with respect to such portion—

14 (A) by substituting “5 taxable years” for
 15 “2 taxable years” in subparagraph (A)(i) there-
 16 of, and

17 (B) by not taking such portion into ac-
 18 count in determining any eligible loss of the
 19 taxpayer under subparagraph (F) thereof for
 20 the taxable year.

21 (2) SUSPENSION OF 90 PERCENT AMT LIMITA-
 22 TION.—Section 56(d)(1) of such Code shall be ap-
 23 plied by increasing the amount determined under
 24 subparagraph (A)(ii)(I) thereof by the sum of the

1 carrybacks and carryovers of any net operating loss
2 attributable to such portion.

3 (b) QUALIFIED LOUISIANA STORM AND FLOOD DIS-
4 ASTER AREA LOSS.—

5 (1) IN GENERAL.—For purposes of subsection
6 (a), the term “qualified Louisiana storm and flood
7 disaster area loss” means the lesser of—

8 (A) the excess of—

9 (i) the net operating loss for such tax-
10 able year, over

11 (ii) the specified liability loss for such
12 taxable year to which a 10-year carryback
13 applies under section 172(b)(1)(C) of such
14 Code, or

15 (B) the aggregate amount of the following
16 deductions to the extent taken into account in
17 computing the net operating loss for such tax-
18 able year:

19 (i) Any deduction for any qualified
20 Louisiana storm and flood disaster area
21 casualty loss.

22 (ii) Any deduction for moving ex-
23 penses paid or incurred after the applicable
24 disaster date, and before January 1, 2019,
25 and allowable under this chapter to any

1 taxpayer in connection with the employ-
2 ment of any individual—

3 (I) whose principal place of abode
4 was located in the Louisiana storm
5 and flood disaster area before the ap-
6 plicable disaster date,

7 (II) who was unable to remain in
8 such abode as the result of the severe
9 storms and flooding giving rise to the
10 Presidential declaration described in
11 section 2(1), and

12 (III) whose principal place of em-
13 ployment with the taxpayer after such
14 expense is located in the Louisiana
15 storm and flood disaster area.

16 For purposes of this subparagraph, the
17 term “moving expenses” has the meaning
18 given such term by section 217(b) of such
19 Code, except that the taxpayer’s former
20 residence and new residence may be the
21 same residence if the initial vacating of the
22 residence was as the result of the severe
23 storms and flooding giving rise to the
24 Presidential declaration described in sec-
25 tion 2(1).

1 (iii) Any deduction allowable under
2 this chapter for expenses paid or incurred
3 on or after the applicable disaster date,
4 and before January 1, 2019, to tempo-
5 rarily house any employee of the taxpayer
6 whose principal place of employment is in
7 the Louisiana storm and flood disaster
8 area.

9 (iv) Any deduction for depreciation
10 (or amortization in lieu of depreciation) al-
11 lowable under this chapter with respect to
12 any qualified Louisiana storm and flood
13 disaster area property for the taxable year
14 such property is placed in service.

15 (v) Any deduction allowable under this
16 chapter for repair expenses (including ex-
17 penses for removal of debris) paid or in-
18 curred on or after the applicable disaster
19 date, and before January 1, 2019, with re-
20 spect to any damage attributable to the se-
21 vere storms and flooding giving rise to the
22 Presidential declaration described in sec-
23 tion 2(1) and in connection with property
24 which is located in the Louisiana storm
25 and flood disaster area.

1 (2) QUALIFIED LOUISIANA STORM AND FLOOD
2 DISASTER AREA PROPERTY.—For purposes of this
3 subsection—

4 (A) IN GENERAL.—The term “qualified
5 Louisiana storm and flood disaster area prop-
6 erty” means property—

7 (i)(I) which is described in section
8 168(k)(2)(A)(i) of the Internal Revenue
9 Code of 1986, or

10 (II) which is nonresidential real prop-
11 erty or residential rental property,

12 (ii) substantially all of the use of
13 which is in the Louisiana storm and flood
14 disaster area and is in the active conduct
15 of a trade or business by the taxpayer in
16 such area,

17 (iii) the original use of which in the
18 Louisiana storm and flood disaster area
19 commences with the taxpayer on or after
20 the applicable disaster date,

21 (iv) which is acquired by the taxpayer
22 by purchase (as defined in section 179(d)
23 of such Code) on or after the applicable
24 disaster date, but only if no written bind-
25 ing contract for the acquisition was in ef-

1 fect before the applicable disaster date,
2 and

3 (v) which is placed in service by the
4 taxpayer on or before December 31, 2018
5 (December 31, 2019, in the case of non-
6 residential real property and residential
7 rental property).

8 (B) EXCEPTIONS.—

9 (i) ALTERNATIVE DEPRECIATION
10 PROPERTY.—Such term shall not include
11 any property described in section
12 168(k)(2)(D) of such Code.

13 (ii) TAX-EXEMPT BOND-FINANCED
14 PROPERTY.—Such term shall not include
15 any property any portion of which is fi-
16 nanced with the proceeds of any obligation
17 the interest on which is exempt from tax
18 under section 103 of such Code.

19 (iii) QUALIFIED REVITALIZATION
20 BUILDINGS.—Such term shall not include
21 any qualified revitalization building with
22 respect to which the taxpayer has elected
23 the application of paragraph (1) or (2) of
24 section 1400I(a) of such Code.

1 (c) QUALIFIED LOUISIANA STORM AND FLOOD AREA
2 CASUALTY LOSS.—

3 (1) IN GENERAL.—For purposes of paragraph
4 (1)(B)(i), the term “qualified Louisiana storm and
5 flood area casualty loss” means any uncompensated
6 section 1231 loss (as defined in section
7 1231(a)(3)(B) of such Code) of property located in
8 the Louisiana storm and flood disaster area, if—

9 (A) such loss is allowed as a deduction
10 under section 165 of such Code for the taxable
11 year, and

12 (B) such loss is by reason of the storms
13 and flooding giving rise to the Presidential dec-
14 laration described in section 2(1).

15 (2) REDUCTION FOR GAINS FROM INVOLUN-
16 TARY CONVERSION.—The amount of qualified Lou-
17 isiana storm and flood area casualty loss which
18 would (but for this paragraph) be taken into account
19 under paragraph (1) for any taxable year shall be
20 reduced by the amount of any gain recognized by the
21 taxpayer for such year from the involuntary conver-
22 sion by reason of the storms and flooding giving rise
23 to the Presidential declaration described in section
24 2(1) of property located in the Louisiana storm and
25 flood disaster area.

1 (3) COORDINATION WITH GENERAL DISASTER
 2 LOSS RULES.—Section 165(i) of such Code shall not
 3 apply to any qualified Louisiana storm and flood
 4 disaster area casualty loss to the extent such loss is
 5 taken into account under this subsection.

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

10 **SEC. 414. INCREASED EXPENSING FOR QUALIFIED TIMBER**
 11 **PROPERTY.**

12 (a) IN GENERAL.—In the case of qualified timber
 13 property any portion of which is located in the Louisiana
 14 storm and flood disaster area, the limitation under sub-
 15 paragraph (B) of section 194(b)(1) of such Code shall be
 16 increased by the lesser of—

17 (1) the limitation which would (but for this sec-
 18 tion) apply under such subparagraph, or

19 (2) the amount of reforestation expenditures
 20 (as defined in section 194(c)(3) of such Code) paid
 21 or incurred by the taxpayer with respect to such
 22 qualified timber property during the specified por-
 23 tion of the taxable year.

24 (b) DEFINITIONS.—For purposes of this sub-
 25 section—

1 (1) SPECIFIED PORTION.—The term “specified
2 portion” means that portion of the taxable year
3 which is on or after the applicable disaster date, and
4 before January 1, 2019.

5 (2) QUALIFIED TIMBER PROPERTY.—The term
6 “qualified timber property” has the meaning given
7 such term in section 194(c)(1) of such Code.

8 **SEC. 415. DISASTER LOSS CARRYBACK.**

9 (a) IN GENERAL.—In the case of a loss occurring in
10 the Louisiana storm and flood disaster area and attrib-
11 utable to the severe storms and flooding giving rise to the
12 Presidential declaration described in section 2(1), at the
13 election of the taxpayer, section 165(i)(1) of the Internal
14 Revenue Code of 1986 shall be applied by substituting
15 “any of the 3 taxable years preceding” for “the taxable
16 year immediately preceding”.

17 (b) SPECIAL RULES.—

18 (1) DETERMINED WITHOUT REGARD TO AD-
19 JUSTED GROSS INCOME.—Any loss described in sub-
20 section (a) shall be determined for the taxable year
21 without regard to section 165(h)(2)(A) of such Code.

22 (2) TREATED AS SALE OR EXCHANGE.—Not-
23 withstanding section 165(h)(2)(B) of such Code, any
24 loss described in subsection (a) shall be treated as
25 a loss from a sale or exchange of a capital asset.

1 **SEC. 416. HOUSING RELIEF FOR INDIVIDUALS AFFECTED**
2 **BY LOUISIANA STORMS AND FLOODING.**

3 (a) EXCLUSION OF EMPLOYER-PROVIDED HOUSING
4 FOR INDIVIDUAL AFFECTED BY LOUISIANA STORMS AND
5 FLOODING.—

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

12 (2) LIMITATION.—The amount which may be
13 excluded under paragraph (1) for any month for
14 which lodging is furnished during the taxable year
15 shall not exceed \$600.

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

21 (b) EMPLOYER CREDIT FOR HOUSING EMPLOYEES
22 AFFECTED BY LOUISIANA STORMS AND FLOODING.—For
23 purposes of section 38, in the case of a qualified employer,
24 the Louisiana storm and flood housing credit for any
25 month during the taxable year is an amount equal to 30
26 percent of any amount which is excludable from the gross

1 income of a qualified employee of such employer under
2 subsection (a) and not otherwise excludable under section
3 119 of such Code.

4 (c) QUALIFIED EMPLOYEE.—For purposes of this
5 section, the term “qualified employee” means, with respect
6 to any month, an individual—

7 (1) who had a principal residence (as defined in
8 section 121 of such Code) in the Louisiana storm
9 and flood disaster area on the applicable disaster
10 date, and

11 (2) who performs substantially all employment
12 services—

13 (A) in the Louisiana storm and flood dis-
14 aster area, and

15 (B) for the qualified employer which fur-
16 nishes lodging to such individual.

17 (d) QUALIFIED EMPLOYER.—For purposes of this
18 section, the term “qualified employer” means any em-
19 ployer with a trade or business located in the Louisiana
20 storm and flood disaster area.

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

24 (f) APPLICATION OF SECTION.—This section shall
25 apply to lodging furnished during the period—

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

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

6 (g) TREATED AS PART OF GENERAL BUSINESS
7 CREDIT.—The Louisiana storm and flood housing credit
8 determined under subsection (b) shall be treated as listed
9 in section 38(b) of the Internal Revenue Code of 1986.

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