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Mr. HEFLEY, the former chairman, I do not agree with Mr. HEFLEY on a lot of things, but I do agree with his perception of how we protect the integrity of the House. There may be people on my side of the aisle who agree with your perception and not mine. I understand that. The fact is, though, that it would be in the best interest of this House and this country for us to resolve these matters in a bipartisan way either through, as our leader has proposed, a commission to be a joint commission equally divided, as was the Livingston-Cardin commission, or, in the alternative, to consider H.R. 131.

The leader is absolutely right, and I made that aside, as you recall. We did vote against the rules package, but we had agreed to the components, and there was no controversy about the ethics component in the rules package. There were other things with which we disagreed, obviously, but that was an agreement, and it was reached in a bipartisan fashion.

This was not reached in a bipartisan fashion. And, yes, as both parties usually did, I can remember, it is getting more difficult to remember, but I can remember when we were in charge and your side used to vote unanimously against our rules package and we pretty much do the same because we have some disagreements. But there was agreement on the rules package as it related to the Committee on Standards of Official Conduct, and the reason for that is because both sides felt it to be very important.

Mr. DELAY. If the gentleman would yield.

I have to remind the gentleman, and I know going back to 1997 is very difficult, but this was not part of the rules package. This was voted on September 18, 1997, and it was on the recommendations for reforming the Committee on Standards of Official Conduct, and the gentleman that worked on the recommendation and the gentleman speaking voted against the recommendations, not on the House rules package.

My point, and I do not want to belabor that for the gentleman, I think it is very important that if the gentleman is protecting a package and a rules ethics reform that he voted against, I think that is one thing. But the other thing is we are working in a bipartisan way, I hope. The chairman and ranking member are dealing with this. A commission would just open up the whole recommendations that the gentleman from Maryland worked on and the gentleman from Louisiana worked on.

I do not think we need a complete overhaul of the ethics process, but there are certain problems that were found in practice that the Speaker felt needed to be done in order to protect the Members. And I have got to tell you, the Members on your side of the aisle as well as my side of the aisle better think about this very seriously be-

cause we do want to protect the integrity of the institution. But, as important as that is, we also want to protect the rights of the Members.

Mr. HOYER. Reclaiming my time, I think we both agree on that.

The gentleman from Maryland (Mr. CARDIN) wanted to say something, but I wanted to say you were right on the process. I was incorrect on the process. It was a separate vote on a separate package, and you are right that I and the gentleman from Maryland (Mr. CARDIN) and others voted against it. It was not on these provisions as you know because a change was made, not in a partisan sense, according to the gentleman from Maryland (Mr. CARDIN).

Mr. Speaker, I yield to the gentleman from Maryland (Mr. CARDIN) to explain his perception and recollection of the process.

Mr. CARDIN. Just to correct the record, and the leader is correct. We did vote against the package. The package was developed in a very bipartisan manner through the task force. There were some votes that took place on the floor of the House that were recommended against by the task force that changed some of the recommendations, and we had a motion to recommend to try to clarify that.

The gentleman is correct on the final vote, but the package itself was very much developed in a bipartisan manner through the task force in a way that it should have been done, contrary to the process that was used on this rules package.

Mr. HOYER. Reclaiming my time, Mr. Leader, I thank you for taking the time. I know you did not have to, and you have been considerate of this discussion because you and I know it is an important discussion. Because it is an important discussion, I would hope that we could move forward to try to get us off this impasse that we have for whatever reasons. And whatever is right or wrong, it needs to be resolved.

There are two suggestions here of how to resolve it. There may be other ways to resolve it. But I would hope that in the coming days we could move towards, in a bipartisan fashion, move towards resolving this issue.

#### ADJOURNMENT TO MONDAY, APRIL 18, 2005

Mr. DELAY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 2 p.m. on Monday next.

The SPEAKER pro tempore (Mr. PUTNAM). Is there objection to the request of the gentleman from Texas?

There was no objection.

#### HOOR OF MEETING ON TUESDAY, APRIL 19, 2005

Mr. DELAY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, April 18, 2005, that it adjourn to meet at 12:30 p.m. on

Tuesday, April 19, 2005 for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. DELAY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### APPOINTMENT OF MEMBER TO BOARD OF VISITORS TO THE UNITED STATES COAST GUARD ACADEMY

The SPEAKER pro tempore. Pursuant to 14 USC 194(a), and the order of the House of January 4, 2005, the Chair announces the Speaker's appointment of the following Member of the House to the Board of Visitors to the United States Coast Guard Academy:

Mr. SIMMONS of Connecticut.

#### APPOINTMENT OF MEMBER TO THE BOARD OF VISITORS TO THE UNITED STATES MERCHANT MARINE ACADEMY

The SPEAKER pro tempore. Pursuant to 46 USC 1295b(h), and the order of the House of January 4, 2005, the Chair announces the Speaker's appointment of the following Member of the House to the Board of Visitors to the United States Merchant Marine Academy:

Mr. KING of New York.

#### APPOINTMENT OF MEMBERS TO THE BOARD OF VISITORS TO THE UNITED STATES MILITARY ACADEMY

The SPEAKER pro tempore. Pursuant to 10 USC 4355(a), and the order of the House of January 4, 2005, the Chair announces the Speaker's appointment of the following Members of the House to the Board of Visitors to the United States Military Academy:

Mrs. KELLY of New York;

Mr. TAYLOR of North Carolina.

#### APPOINTMENT OF MEMBERS TO THE MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER pro tempore. Pursuant to 22 USC 276h, and the order of the House of January 4, 2005, the Chair announces the Speaker's appointment of the following Members of the House to the Mexico-United States Interparliamentary Group:

Mr. KOLBE of Arizona, Chairman;

Ms. HARRIS of Florida, Vice Chairman.

# PROPER TAX TREATMENT OF CERTAIN DISASTER MITIGATION PAYMENTS

Mr. FOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1134) to amend the Internal Revenue Code of 1986 to provide for the proper tax treatment of certain disaster mitigation payments, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate Amendment:

Strike out all after the enacting clause and insert:

## SEC. 1. PROPER TAX TREATMENT OF CERTAIN DISASTER MITIGATION PAYMENTS.

(a) QUALIFIED DISASTER MITIGATION PAYMENTS EXCLUDED FROM GROSS INCOME.—

(1) IN GENERAL.—Section 139 of the Internal Revenue Code of 1986 (relating to disaster relief payments) is amended by adding at the end the following new subsections:

“(g) QUALIFIED DISASTER MITIGATION PAYMENTS.—

“(1) IN GENERAL.—Gross income shall not include any amount received as a qualified disaster mitigation payment.

“(2) QUALIFIED DISASTER MITIGATION PAYMENT DEFINED.—For purposes of this section, the term ‘qualified disaster mitigation payment’ means any amount which is paid pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (as in effect on the date of the enactment of this subsection) or the National Flood Insurance Act (as in effect on such date) to or for the benefit of the owner of any property for hazard mitigation with respect to such property. Such term shall not include any amount received for the sale or disposition of any property.

“(3) NO INCREASE IN BASIS.—Notwithstanding any other provision of this subtitle, no increase in the basis or adjusted basis of any property shall result from any amount excluded under this subsection with respect to such property.

“(h) DENIAL OF DOUBLE BENEFIT.—Notwithstanding any other provision of this subtitle, no deduction or credit shall be allowed (to the person for whose benefit a qualified disaster relief payment or qualified disaster mitigation payment is made) for, or by reason of, any expenditure to the extent of the amount excluded under this section with respect to such expenditure.”.

(2) CONFORMING AMENDMENTS.—

(A) Subsection (d) of section 139 of such Code is amended by striking “a qualified disaster relief payment” and inserting “qualified disaster relief payments and qualified disaster mitigation payments”.

(B) Subsection (e) of section 139 of such Code is amended by striking “and (f)” and inserting “, (f), and (g)”.

(b) CERTAIN DISPOSITIONS OF PROPERTY UNDER HAZARD MITIGATION PROGRAMS TREATED AS INVOLUNTARY CONVERSIONS.—Section 1033 of such Code (relating to involuntary conversions) is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:

“(k) SALES OR EXCHANGES UNDER CERTAIN HAZARD MITIGATION PROGRAMS.—For purposes of this subtitle, if property is sold or otherwise transferred to the Federal Government, a State or local government, or an Indian tribal government to implement hazard mitigation under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (as in effect on the date of the enactment of this subsection) or the National Flood Insurance Act (as in effect on such date), such sale or transfer shall be treated as an involuntary conversion to which this section applies.”.

(c) EFFECTIVE DATE.—

(1) QUALIFIED DISASTER MITIGATION PAYMENTS.—The amendments made by subsection (a) shall apply to amounts received before, on, or after the date of the enactment of this Act.

(2) DISPOSITIONS OF PROPERTY UNDER HAZARD MITIGATION PROGRAMS.—The amendments made by subsection (b) shall apply to sales or other dispositions before, on, or after the date of the enactment of this Act.

Mr. FOLEY (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from Florida?

Mr. CARDIN. Mr. Speaker, reserving the right to object, I do so not for the purposes of objecting but to give the gentleman from Florida (Mr. FOLEY) an opportunity to explain the legislation that is extremely important to people who have suffered disaster as a result of hurricanes in our country.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. CARDIN. I yield to the gentleman from Florida.

Mr. FOLEY. Mr. Speaker, I appreciate the gentleman for yielding and certainly for his help in supporting this important measure.

Mr. Speaker, I am pleased to call up H.R. 1134, as amended by the other body, and with the bill's many supporters urge its adoption.

I remind my colleagues that the House passed this bill by voice vote 1 month ago. It was a bipartisan effort. We worked with the administration to develop a bill that makes disaster mitigation grants tax free. The bill also extended tax-free treatment to outstanding grants, as the administration's budget clearly provided for.

The amendment gilds the lily by making the relief in outstanding grants more explicit. During the past month, there has been some discussion in the other body of raising taxes and of adding unrelated tax breaks. I am pleased and thrilled that neither of those ideas was added to the bill and that this amendment is acceptable.

As I said when the bill was considered on this floor on March 14, H.R. 1134 will make disaster mitigation grants attractive to those we want to help avoid loss of life and property. These grants have saved Americans \$2.9 billion in property losses during the past 15 years. Passing this bill today will clarify a difficult tax issue just in time, and I must underline just in time, for our April 15 filing and help those Americans who are even now struggling with their tax returns. And I hope all here will join me in passing the bill.

Of course, I thank the chairman of the Committee on Ways and Means, the gentleman from California (Mr. THOMAS), and the ranking member, the gentleman from New York (Mr. RANGEL),

for their quick consideration of this important bill and, of course, the gentleman from Maryland (Mr. CARDIN), a member of the committee, for his excellent work on this as well.

Mr. COLE of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. CARDIN. Further reserving the right to object, I yield to the gentleman from Oklahoma.

Mr. COLE of Oklahoma. Mr. Speaker, I thank the gentleman for yielding. It is very gracious of him.

Mr. Speaker, I come from a part of the country, Oklahoma, where disasters are not uncommon. Sometimes they are the awful man-made disasters of the Oklahoma City Bombing, something we will talk about next week, but more frequently they are the disasters associated with tornados.

In my home community in 1999 we had an F-5 tornado that destroyed in my community and the adjacent community 6,000 homes and killed 40 people. Four years later, another tornado, traveling almost in the identical path, destroyed another 500 homes and injured many people.

Each time we got superb help from the Federal Government and from FEMA, both in the immediate disaster and in the aftermath, to mitigate the consequences of future events of this type; and we were very, very grateful for that help as Americans.

It came then as an enormous surprise to the constituents that I represent years later that this help turned into potentially a taxable event. That is, there was talk at the Internal Revenue Service of going back, taking the grant and actually levying a tax on them years after they have been given.

I want to commend the gentleman from Florida (Mr. FOLEY), who has had similar circumstances dealing with hurricanes in his home State, for working with our delegation in Oklahoma on a bipartisan basis, the gentleman from Oklahoma (Mr. ISTOOK), the gentleman from Oklahoma (Mr. LUCAS), the gentleman from Oklahoma (Mr. SULLIVAN), the gentleman from Oklahoma (Mr. BOREN) and myself and for working across the aisle with our good friends who have this problem in common.

On this floor we sometimes do have partisan disagreements, but when the good of the country is at stake, it is amazing how often we do come together. And certainly we come together regardless of party to help people that have been hurt through no fault of their own in the course of disaster and to help them prepare so that those disasters never threaten their well-being again.

So I want to thank again my friend, the gentleman from Florida (Mr. FOLEY), for his outstanding work. I commend our colleagues in the Senate for working with him in getting this bill done just in time. Literally, I had a couple of town meetings last week when we were on break where I had constituents come and ask who had