

The vote was taken by electronic device, and there were—ayes 221, noes 193, not voting 19, as follows:

[Roll No. 472]

AYES—221

Aderholt	Gillmor	Nussle
Akin	Gingrey	Osborne
Alexander	Gohmert	Otter
Bachus	Goode	Oxley
Baker	Goodlatte	Paul
Barrett (SC)	Granger	Pearce
Bartlett (MD)	Graves	Pence
Bass	Green (WI)	Peterson (PA)
Biggert	Gutknecht	Petri
Bilirakis	Hall	Pickering
Blackburn	Harris	Pitts
Blunt	Hart	Platts
Boehlert	Hastings (WA)	Poe
Boehner	Hayes	Pombo
Bonilla	Hayworth	Porter
Bonner	Hefley	Price (GA)
Bono	Hensarling	Pryce (OH)
Boozman	Herger	Putnam
Boustany	Hobson	Radanovich
Bradley (NH)	Hoekstra	Ramstad
Brady (TX)	Hostettler	Regula
Brown (SC)	Hulshof	Rehberg
Brown-Waite,	Hunter	Reichert
Ginny	Hyde	Renzi
Burgess	Inglis (SC)	Reynolds
Burton (IN)	Issa	Rogers (AL)
Buyer	Jenkins	Rogers (KY)
Calvert	Johnson (CT)	Rohrabacher
Camp	Johnson (IL)	Ros-Lehtinen
Cannon	Johnson, Sam	Royce
Cantor	Jones (NC)	Ryan (WI)
Capito	Keller	Ryan (KS)
Carter	Kelly	Saxton
Castle	Kennedy (MN)	Schmidt
Chabot	King (IA)	Schwarz (MI)
Chocola	King (NY)	Sensenbrenner
Coble	Kingston	Sessions
Cole (OK)	Kirk	Shadegg
Conaway	Kline	Shaw
Crenshaw	Knollenberg	Sherwood
Cubin	Kolbe	Shimkus
Culberson	Kuhl (NY)	Shuster
Cunningham	LaHood	Simmons
Davis (KY)	Latham	Simpson
Davis, Jo Ann	LaTourette	Smith (NJ)
Davis, Tom	Leach	Smith (TX)
Deal (GA)	Lewis (CA)	Sodrel
DeLay	Lewis (KY)	Souder
Dent	Linder	Stearns
Diaz-Balart, L.	LoBiondo	Sullivan
Diaz-Balart, M.	Lucas	Sweeney
Doolittle	Lungren, Daniel	Taylor (NC)
Drake	E.	Terry
Dreier	Mack	Thomas
Duncan	Manzullo	Thornberry
Ehlers	Marchant	Tiahrt
Emerson	McCaul (TX)	Tiberi
English (PA)	McCotter	Turner
Everett	McCrery	Upton
Feeney	McHenry	Walden (OR)
Ferguson	McHugh	Walsh
Fitzpatrick (PA)	McKeon	Wamp
Flake	McMorris	Weldon (FL)
Foley	Mica	Weldon (PA)
Forbes	Miller (MI)	Weller
Fortenberry	Miller, Gary	Westmoreland
Fossella	Moran (KS)	Whitfield
Fox	Murphy	Wicker
Franks (AZ)	Musgrave	Wilson (NM)
Frelinghuysen	Myrick	Wilson (SC)
Gallely	Neugebauer	Wolf
Garrett (NJ)	Ney	Young (AK)
Gerlach	Northup	Young (FL)
Gibbons	Norwood	
Gilchrest	Nunes	

NOES—193

Abercrombie	Blumenauer	Case
Ackerman	Boren	Chandler
Allen	Boswell	Clay
Andrews	Boucher	Cleaver
Baca	Boyd	Clyburn
Baird	Brady (PA)	Conyers
Baldwin	Brown (OH)	Cooper
Barrow	Brown, Corrine	Costa
Bean	Butterfield	Costello
Becerra	Capps	Cramer
Berkley	Capuano	Crowley
Berman	Cardin	Cuellar
Berry	Cardoza	Cummings
Bishop (GA)	Carnahan	Davis (AL)
Bishop (NY)	Carson	Davis (CA)

Davis (FL)	Kucinich	Rahall
Davis (IL)	Langevin	Rangel
Davis (TN)	Lantos	Reyes
DeFazio	Larsen (WA)	Ross
DeGette	Larson (CT)	Roybal-Allard
Delahunt	Lee	Ruppersberger
DeLauro	Levin	Rush
Dicks	Lipinski	Ryan (OH)
Dingell	Lofgren, Zoe	Sabo
Doggett	Lowey	Salazar
Doyle	Lynch	Sánchez, Linda
Edwards	Maloney	T.
Emanuel	Markey	Sanchez, Loretta
Engel	Marshall	Sanders
Eshoo	Matheson	Schakowsky
Etheridge	Matsui	Schiff
Evans	McCarthy	Schwartz (PA)
Farr	McCollum (MN)	Scott (GA)
Fattah	McDermott	Scott (VA)
Filner	McGovern	Serrano
Ford	McIntyre	Sherman
Frank (MA)	McKinney	Skelton
Gonzalez	McNulty	Slaughter
Gordon	Meehan	Smith (WA)
Green, Al	Meek (FL)	Snyder
Green, Gene	Meeks (NY)	Solis
Grijalva	Menendez	Spratt
Gutierrez	Michaud	Stark
Harman	Millender-	Strickland
McDonald	Miller (NC)	Stupak
Miller (ND)	Miller, George	Tauscher
Mollohan	Moore (KS)	Taylor (MS)
Moore (KS)	Moore (WI)	Thompson (CA)
Moore (WI)	Moran (VA)	Thompson (MS)
Napolitano	Neal (MA)	Tierney
Neal (MA)	Oberstar	Towns
Obey	Obey	Udall (CO)
Oliver	Ortiz	Udall (NM)
Owens	Owens	Van Hollen
Pallone	Pallone	Velázquez
Pascarella	Pascarella	Visclosky
Pastor	Pastor	Wasserman
Payne	Payne	Schultz
Pelosi	Pelosi	Waters
Peterson (MN)	Peterson (MN)	Watson
Pomeroy	Pomeroy	Watt
Price (NC)	Price (NC)	Waxman
	Rothman	Wexler
		Wu
		Wynn

NOT VOTING—19

Barton (TX)	Lewis (GA)	Shays
Beauprez	Melancon	Tancredo
Bishop (UT)	Miller (FL)	Tanner
Hinchey	Murtha	Weiner
Istook	Nadler	Woolsey
Jindal	Rogers (MI)	
Jones (OH)	Rothman	

□ 1225

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. SHAYS. Mr. Speaker, on rollcall No. 472 I was inadvertently detained. Had I been present, I would have voted "aye."

Mr. MILLER of Florida. Mr. Speaker, I missed rollcall vote No. 472 on September 15, 2005. This was a suspension vote on agreeing to the resolution H.J. Res. 439—a resolution to establish the Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina.

If present, I would have voted rollcall vote No. 472. Establish the Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina—"aye".

#### REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3684

Mr. FLAKE. Madam Speaker, I ask unanimous consent that the name of the gentleman from Tennessee (Mr. WAMP) be removed as a cosponsor of my bill, H.R. 3684.

The SPEAKER pro tempore (Mrs. EMERSON). Is there objection to the request of the gentleman from Arizona?

There was no objection.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on the motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Any record vote on the postponed question will be taken later today.

#### KATRINA EMERGENCY TAX RELIEF ACT OF 2005

Mr. MCCRERY. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3768) to provide emergency tax relief for persons affected by Hurricane Katrina, as amended.

The Clerk read as follows:

H.R. 3768

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Katrina Emergency Tax Relief Act of 2005".

#### SEC. 2. DESIGNATION AS EMERGENCY REQUIREMENT.

Any provision of this Act causing an effect on receipts, budget authority, or outlays is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress).

#### TITLE I—GENERAL TAX RELIEF PROVISIONS

#### SEC. 101. EXTENSION OF REPLACEMENT PERIOD FOR NONRECOGNITION OF GAIN.

Clause (i) of section 1033(a)(2)(B) of the Internal Revenue Code of 1986 shall be applied by substituting "5 years" for "2 years" with respect to property which—

(1) is located in an area determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Katrina, and

(2) is compulsorily or involuntarily converted as a result of such hurricane, but only if substantially all of the use of the replacement property is located in any such area.

#### SEC. 102. SUSPENSION OF LIMITATIONS ON CHARITABLE CONTRIBUTIONS FOR RELIEF EFFORTS RELATED TO HURRICANE KATRINA.

(a) IN GENERAL.—Except as otherwise provided in subsection (b), qualified disaster contributions shall not be taken into account for purposes of subsections (b) and (d) of section 170 of the Internal Revenue Code of 1986.

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

(1) INDIVIDUALS.—In the case of an individual—

(A) LIMITATION.—Any qualified disaster contribution shall be allowed only to the extent that the aggregate of such contributions does not exceed the excess of the taxpayer's contribution base (as defined in paragraph (1) of section 170(b) of such Code) over

the amount of all other charitable contributions allowed under such paragraph.

(B) **CARRYOVER.**—If the aggregate amount of qualified disaster contributions made in the contribution year (within the meaning of section 170(d)(1) of such Code) exceeds the limitation of subparagraph (A), such excess shall be added to the excess described in the portion of subparagraph (A) of such section which precedes clause (i) thereof for purposes of applying such section.

(2) **CORPORATIONS.**—In the case of a corporation—

(A) **LIMITATION.**—Any qualified disaster contribution shall be allowed only to the extent that the aggregate of such contributions does not exceed the excess of the taxpayer's taxable income (as determined under paragraph (2) of section 170(b) of such Code) over the amount of all other charitable contributions allowed under such paragraph.

(B) **CARRYOVER.**—Rules similar to the rules of paragraph (1)(B) shall apply for purposes of this paragraph.

(C) **EXCEPTION TO OVERALL LIMITATION ON ITEMIZED DEDUCTIONS.**—So much of any deduction allowed under section 170 of such Code as does not exceed the qualified disaster contributions made during the taxable year shall not be treated as an itemized deduction for purposes of section 68 of such Code.

(d) **QUALIFIED DISASTER CONTRIBUTIONS.**—For purposes of this section, the term “qualified disaster contribution” means any charitable contribution (as defined in section 170(c) of such Code)—

(1) made during the period beginning on August 28, 2005, and ending on December 31, 2005, in cash to an organization described in section 170(b)(1)(A) of such Code (other than an organization described in section 509(a)(3) of such Code) for relief efforts related to Hurricane Katrina, and

(2) with respect to which the taxpayer has elected the application of this section.

In the case of a partnership or S corporation, the election under paragraph (2) shall be made separately by each partner or shareholder.

#### **SEC. 103. MILEAGE RATE FOR CHARITABLE PURPOSES RELATED TO HURRICANE KATRINA.**

(a) **MILEAGE RATE FOR CHARITABLE PURPOSES RELATED TO HURRICANE KATRINA.**—Notwithstanding subsection (i) of section 170 of the Internal Revenue Code of 1986, in the case of the use of a vehicle described in subsection (f)(12)(E)(i) of such section for provision of relief related to Hurricane Katrina, the standard mileage rate for purposes of such section shall be 70 percent of the standard mileage rate for business purposes prescribed by the Secretary for purposes of chapter 1 of such Code which is in effect on the date of the contribution.

(b) **APPLICATION.**—Subsection (a) shall apply only with respect to contributions made before January 1, 2007.

#### **SEC. 104. EXCLUSION OF CERTAIN CANCELLATIONS OF INDEBTEDNESS.**

(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 qualified nonbusiness debt of a qualified individual by an applicable entity (as defined in section 6050P(c)).

(b) **QUALIFIED NONBUSINESS DEBT.**—For purposes of this section, the term “qualified nonbusiness debt” means any indebtedness other than indebtedness incurred in connection with a trade or business.

(c) **QUALIFIED INDIVIDUAL.**—For purposes of this section, the term “qualified individual” means any natural person who was a resident

(as of August 28, 2005) of, or who owned real property (as of the date of such discharge) in, any area which is determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Katrina.

(d) **EXCEPTION FOR REAL PROPERTY OUTSIDE DISASTER AREA.**—Subsection (a) shall not apply to any discharge of indebtedness to the extent that real property constituting security for such indebtedness is located outside of the area described in subsection (c).

(e) **DENIAL OF DOUBLE BENEFIT.**—The amount excluded from gross income under subsection (a) shall be applied to reduce the tax attributes of the taxpayer as provided in section 108(b) of the Internal Revenue Code of 1986.

(f) **APPLICATION.**—This section shall not apply to discharges after December 31, 2006.

#### **SEC. 105. SPECIAL RULES FOR MORTGAGE REVENUE BONDS.**

(a) **IN GENERAL.**—In the case of financing provided with respect to a qualified Hurricane Katrina recovery residence, subsection (d) of section 143 of the Internal Revenue Code of 1986 shall be applied as if such residence were a targeted area residence.

(b) **QUALIFIED HURRICANE KATRINA RECOVERY RESIDENCE.**—For purposes of this section, the term “qualified Hurricane Katrina recovery residence” means any residence if such residence is located in an area which is determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Katrina.

(c) **APPLICATION.**—Subsection (a) shall not apply to financing provided after December 31, 2007.

#### **SEC. 106. SUSPENSION OF CERTAIN LIMITATIONS ON PERSONAL CASUALTY LOSSES.**

Paragraphs (1) and (2)(A) of section 165(h) of the Internal Revenue Code of 1986 shall not apply to losses described in section 165(c)(3) of such Code which are attributable to Hurricane Katrina. In the case of any other losses, section 165(h)(2)(A) of such Code shall be applied without regard to the losses referred to in the preceding sentence.

#### **SEC. 107. ADDITIONAL EXEMPTION FOR HOUSING HURRICANE KATRINA DISPLACED INDIVIDUALS.**

(a) **IN GENERAL.**—In the case of taxable years of a natural person beginning in 2005 and 2006, for purposes of the Internal Revenue Code of 1986, taxable income shall be reduced by \$500 for each Hurricane Katrina displaced individual of the taxpayer for the taxable year.

(b) **LIMITATIONS.**—

(1) **DOLLAR LIMITATION.**—The reduction under subsection (a) shall not exceed \$2,000, reduced by the amount of the reduction under this section for all previous taxable years.

(2) **INDIVIDUALS TAKEN INTO ACCOUNT ONLY ONCE.**—An individual shall not be taken into account under subsection (a) if such individual was taken into account under such subsection by the taxpayer in any prior taxable year.

(c) **HURRICANE KATRINA DISPLACED INDIVIDUAL.**—For purposes of this subsection, the term “Hurricane Katrina displaced individual” means, with respect to any taxpayer for any taxable year, a natural person who—

(1) was (as of August 28, 2005) a resident of any area which is determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Katrina,

(2) is displaced from the person's residence located in the area described in paragraph (1), and

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

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

#### **SEC. 108. SPECIAL RULE FOR DETERMINING EARNED INCOME.**

(a) **IN GENERAL.**—In the case of a qualified individual, if the earned income of the taxpayer for the taxable year of such taxpayer which includes August 28, 2005, is less than the earned income which is attributable to the taxpayer for the preceding taxable year, the credits allowed under sections 24(d) and 32 of the Internal Revenue Code of 1986 may, at the election of the taxpayer, be determined by substituting—

(1) such earned income for the preceding taxable year, for

(2) such earned income for the taxable year which includes August 28, 2005.

(b) **QUALIFIED INDIVIDUAL.**—For purposes of this section, the term “qualified individual” means any individual who was (as of August 28, 2005) a resident of any area which is determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Katrina.

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

(d) **SPECIAL RULES.**—

(1) **APPLICATION TO JOINT RETURNS.**—For purpose of subsection (a), in the case of a joint return for a taxable year which includes August 28, 2005,

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

(B) the earned income which is attributable to the taxpayer for the preceding taxable year shall be the sum of the earned income which is attributable to each spouse for such preceding taxable year, and

(C) the substitution described in such subsection shall apply only with respect to earned income which is attributable to a spouse who is a qualified individual.

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

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

(4) **NO EFFECT ON DETERMINATION OF GROSS INCOME.**—For purposes of the Internal Revenue Code of 1986, gross income shall be determined without regard to any substitution under subsection (a).

#### **SEC. 109. SECRETARIAL AUTHORITY TO MAKE ADJUSTMENTS REGARDING TAXPAYER AND DEPENDENCY STATUS.**

With respect to taxable years beginning in 2005 or 2006, the Secretary of the Treasury, or his delegate, may make such adjustments in the application of the internal revenue laws as may be necessary to ensure that taxpayers do not lose dependency exemptions or child credits or experience a change of filing status by reason of temporary relocations after Hurricane Katrina or by reason of the receipt of hurricane relief. Any adjustments made under the preceding sentence shall ensure that an individual is not taken into account by more than one taxpayer with respect to the same tax benefit.

**SEC. 110. WORK OPPORTUNITY TAX CREDIT FOR HURRICANE KATRINA EMPLOYEES.**

(a) IN GENERAL.—For purposes of section 51 of the Internal Revenue Code of 1986, a Hurricane Katrina employee shall be treated as a member of a targeted group.

(b) HURRICANE KATRINA EMPLOYEE.—For purposes of this section, the term “Hurricane Katrina employee” means any individual who, on August 28, 2005, had a principal place of abode in a Hurricane Katrina disaster area.

(c) SPECIAL RULES FOR DETERMINING CREDIT.—For purposes of applying subpart F of part IV of subchapter A of chapter 1 of such Code to wages paid or incurred to any Hurricane Katrina employee—

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

(2) except in the case of an employee of the employer (within the meaning of section 51 of such Code) on August 28, 2005, or an employee initially hired after such date, section 51(i)(2) of such Code shall not apply.

(d) APPLICATION OF SECTION.—This section shall apply only to wages (within the meaning on section 51(c) of such Code) paid or incurred to any individual who—

(1) is being hired for a position the principal place of employment of which is located in a Hurricane Katrina disaster area, and

(2) who begins work for the employer during the 2-year period beginning on August 29, 2005.

(e) HURRICANE KATRINA DISASTER AREA.—For purposes of this section, the term “Hurricane Katrina disaster area” means any area which is determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Katrina.

**TITLE II—PENALTY FREE USE OF RETIREMENT FUNDS IN THE CASE OF NATURAL DISASTERS****SEC. 201. PENALTY FREE WITHDRAWALS FROM RETIREMENT PLANS UPON FEDERAL DECLARATION OF NATURAL DISASTER.**

(a) IN GENERAL.—Paragraph (2) of section 72(t) of the Internal Revenue Code of 1986 (relating to 10-percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end the following new subparagraph:

“(G) DISTRIBUTIONS FROM RETIREMENT PLANS UPON FEDERAL DECLARATION OF NATURAL DISASTER.—

“(i) IN GENERAL.—Any qualified disaster-relief distribution.

“(ii) AGGREGATE LIMITATION.—The aggregate amount of payments or distributions received by an individual which may be treated as qualified disaster-relief distributions for any taxable year shall not exceed the excess (if any) of —

“(I) \$100,000, over

“(II) the aggregate amounts treated as qualified disaster-relief distributions with respect to such individual for all prior taxable years.

“(iii) AMOUNT DISTRIBUTED MAY BE REPAID.—

“(I) IN GENERAL.—Any individual who receives a qualified disaster-relief distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was made, make one or more contributions in an aggregate amount not to exceed the amount of such distribution to an eligible retirement plan (as defined in section 402(c)(8)(B)) of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(b)(8), or 408(d)(3), as the case may be.

“(II) TREATMENT OF REPAYMENTS FOR DISTRIBUTIONS FROM ELIGIBLE RETIREMENT PLANS OTHER THAN IRAS.—For purposes of this title, if a contribution is made pursuant to subclause (I) with respect to a qualified disaster-relief distribution from an eligible retirement plan (as so defined) other than an individual retirement plan, then the taxpayer shall, to the extent of the amount of the contribution, be treated as having received the qualified disaster-relief distribution in an eligible rollover distribution (as defined in section 402(c)(4)) and as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

“(III) TREATMENT OF REPAYMENTS FOR DISTRIBUTIONS FROM IRAS.—For purposes of this title, if a contribution is made pursuant to subclause (I) with respect to a qualified disaster-relief distribution from an individual retirement plan, then, to the extent of the amount of the contribution, the qualified disaster-relief distribution shall be treated as a distribution described in section 408(d)(3) and as having been transferred to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

“(IV) APPLICATION TO GOVERNMENTAL SECTION 457 PLANS.—In determining whether any distribution is a qualified disaster-relief distribution for purposes of this clause, an eligible deferred compensation plan (as defined in section 457(b)) maintained by an employer described in section 457(e)(1)(A) shall be treated as a qualified retirement plan.

“(iv) QUALIFIED DISASTER-RELIEF DISTRIBUTION.—For purposes of this subparagraph, the term ‘qualified disaster-relief distribution’ means any distribution—

“(I) to an individual who has sustained a loss as a result of a major disaster declared under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Katrina and who has a principal place of abode immediately before the declaration in a qualified disaster area, and

“(II) which is made during the 1-year period beginning on the date such declaration is made.

“(v) QUALIFIED DISASTER AREA.—For purposes of this subparagraph, the term ‘qualified disaster area’ means any area which is determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Katrina.”

(b) EXEMPTION OF DISTRIBUTIONS FROM TRUSTEE TO TRUSTEE TRANSFER AND WITHHOLDING RULES.—Paragraph (4) of section 402(c) of such Code (relating to eligible rollover distribution) is amended by striking “and” at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting “, and”, and by inserting at the end the following new subparagraph:

“(D) any qualified disaster-relief distribution (within the meaning of section 72(t)(2)(G)).”

(c) CONFORMING AMENDMENTS.—

(1) Section 401(k)(2)(B)(i) of such Code is amended by striking “or” at the end of subclause (III), by striking “and” at the end of subclause (IV) and inserting “or”, and by inserting after subclause (IV) the following new subclause:

“(V) the date on which a period referred to in section 72(t)(2)(G)(iii)(II) begins (but only to the extent provided in section 72(t)(2)(G)), and”.

(2) Section 403(b)(7)(A)(ii) of such Code is amended by inserting “sustains a loss as a result of a major disaster declared under sec-

tion 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Katrina (but only to the extent provided in section 72(t)(2)(G)),” before “or”.

(3) Section 403(b)(11) of such Code is amended by striking “or” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, or”, and by inserting after subparagraph (B) the following new subparagraph:

“(C) for distributions to which section 72(t)(2)(G) applies.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions received after August 28, 2005.

**SEC. 202. INCOME AVERAGING FOR DISASTER-RELIEF DISTRIBUTIONS RELATED TO HURRICANE KATRINA.**

(a) IN GENERAL.—In the case of any qualified disaster-relief distribution (within the meaning of section 72(t)(2)(G) of the Internal Revenue Code of 1986) from a qualified retirement plan (as defined in section 4974(c) of such Code) to a qualified individual, unless the taxpayer elects not to have this section apply for any taxable year, any amount required to be included in gross income for such taxable year shall be so included ratably over the 3-taxable year period beginning with such taxable year.

(b) SPECIAL RULES.—

(1) APPLICATION TO GOVERNMENTAL SECTION 457 PLANS.—In determining whether any distribution is a qualified disaster-relief distribution (as so defined) for purposes of this section, an eligible deferred compensation plan (as defined in section 457(b) of such Code) maintained by an employer described in section 457(e)(1)(A) of such Code shall be treated as a qualified retirement plan (as so defined)

(2) CERTAIN RULES TO APPLY.—Rules similar to the rules of subparagraph (E) of section 408A(d)(3) of such Code shall apply for purposes of this section.

(c) QUALIFIED INDIVIDUAL.—For purposes of this section, the term “qualified individual” means an individual who has sustained a loss as a result of the major disaster declared under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) by reason of Hurricane Katrina and who has a principal place of abode immediately before the declaration in a Hurricane Katrina disaster area.

(d) HURRICANE KATRINA DISASTER AREA.—For purposes of this section, the term “Hurricane Katrina disaster area” means any area which is determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Katrina.

**SEC. 203. RECONTRIBUTIONS OF WITHDRAWALS FOR HOME PURCHASES CANCELLED DUE TO HURRICANE KATRINA.**

(a) RECONTRIBUTIONS.—

(1) IN GENERAL.—Any individual who received a qualified distribution may, at any time during the 6-month period beginning on the day after the disaster declaration date, make one or more contributions in an aggregate amount not to exceed the amount of such qualified distribution to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Internal Revenue Code of 1986) of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16) of such Code, as the case may be.

(2) TREATMENT OF REPAYMENTS.—

(A) TREATMENT OF REPAYMENTS FOR DISTRIBUTIONS FROM ELIGIBLE RETIREMENT PLANS OTHER THAN IRAS.—For purposes of the Internal Revenue Code of 1986, if a contribution is

made pursuant to paragraph (1) with respect to a qualified distribution from an eligible retirement plan (as so defined) other than an individual retirement plan (as defined in section 7701(a)(37) of such Code), then the taxpayer shall, to the extent of the amount of the contribution, be treated as having received the qualified distribution in an eligible rollover distribution (as defined in section 402(c)(4) of such Code) and as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(B) TREATMENT OF REPAYMENTS FOR DISTRIBUTIONS FROM IRAS.—For purposes of the Internal Revenue Code of 1986, if a contribution is made pursuant to paragraph (1) with respect to a qualified distribution from an individual retirement plan (as so defined), then, to the extent of the amount of the contribution, the qualified distribution shall be treated as a distribution described in section 408(d)(3) of such Code and as having been transferred to the eligible retirement plan (as so defined) in a direct trustee to trustee transfer within 60 days of the distribution.

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

(1) QUALIFIED DISTRIBUTION.—The term “qualified distribution” means any distribution—

(A) described in section 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii), 403(b)(11)(B), 457(d)(1)(A)(iii), or 72(t)(2)(F) of the Internal Revenue Code of 1986,

(B) received after February 28, 2005, and before August 29, 2005, and

(C) which was to be used to purchase or construct a principal residence in a Hurricane Katrina disaster area, but which was not so purchased or constructed.

(2) DISASTER DECLARATION DATE.—The term “disaster declaration date” means the date on which the President designated the area as a Hurricane Katrina disaster area.

(3) HURRICANE KATRINA DISASTER AREA.—The term “Hurricane Katrina disaster area” means any area which is determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Katrina.

#### SEC. 204. LOANS FROM QUALIFIED PLANS IN CONNECTION WITH HURRICANE KATRINA.

(a) INCREASE IN LIMIT ON LOANS NOT TREATED AS DISTRIBUTIONS.—In the case of any loan from a qualified employer plan (as defined under section 72(p)(4) of the Internal Revenue Code of 1986) to a qualified individual (as defined in section 202(c)) made after the date of enactment of this Act and before the date which is 1 year after the disaster declaration date (as defined in section 203(b)(2))—

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

(2) clause (ii) of such section shall be applied by substituting “the present value of the nonforfeitable accrued benefit of the employee under the plan” for “one-half of the present value of the nonforfeitable accrued benefit of the employee under the plan”.

(b) DELAY OF REPAYMENT.—In the case of a qualified individual (as defined in section 202(c)) with an outstanding loan on or after August 26, 2005, from a qualified employer plan (as defined in section 72(p)(4) of the Internal Revenue Code of 1986)—

(1) if the due date pursuant to subparagraph (B) or (C) of section 72(p)(2) of such Code for any repayment with respect to such loan occurs during the period beginning after August 29, 2005, and ending before August 30, 2006, such due date shall be delayed for 1 year,

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

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

#### SEC. 205. PROVISIONS RELATING TO PLAN AMENDMENTS.

(a) IN GENERAL.—If this section applies to any plan or contract amendment—

(1) such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in subsection (b)(2)(A), and

(2) except as provided by the Secretary of the Treasury, such plan shall not fail to meet the requirements of section 411(d)(6) of the Internal Revenue Code of 1986 and section 204(g) of the Employee Retirement Income Security Act of 1974 by reason of such amendment.

(b) AMENDMENTS TO WHICH SECTION APPLIES.—

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

(A) pursuant to any amendment made by this title, or pursuant to any regulation issued by the Secretary of the Treasury or the Secretary of Labor under this title, and

(B) on or before the last day of the first plan year beginning on or after January 1, 2007, or such later date as the Secretary of the Treasury may prescribe.

In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), subparagraph (B) shall be applied by substituting the date which is 2 years after the date otherwise applied under subparagraph (B).

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

(A) during the period—

(i) beginning on the date the legislative or regulatory amendment described in paragraph (1)(A) takes effect (or in the case of a plan or contract amendment not required by such legislative or regulatory amendment, the effective date specified by the plan), and

(ii) ending on the date described in paragraph (1)(B) (or, if earlier, the date the plan or contract amendment is adopted), the plan or contract is operated as if such plan or contract amendment were in effect; and

(B) such plan or contract amendment applies retroactively for such period.

#### TITLE III—EXTENSION OF CERTAIN PROVISIONS TO FLORIDA AND OTHER AFFECTED AREAS

##### SEC. 301. EXTENSION OF CERTAIN PROVISIONS TO FLORIDA AND OTHER AFFECTED AREAS.

(a) IN GENERAL.—The following provisions shall be applied as if they did not include the phrase “individual or individual and public”:

(1) Section 101 of this Act (relating to extension of replacement period for non-recognition of gain).

(2) Section 104 of this Act (relating to exclusion of certain cancellations of indebtedness), but only if the discharge is on account of Hurricane Katrina.

(3) Section 105 of this Act (relating to special rules for mortgage revenue bonds), but only with respect to residences damaged as a result of Hurricane Katrina.

(4) Section 106 of this Act (relating to suspension of certain limitations on personal casualty losses).

(5) Section 107 of this Act (relating to additional exemption for housing Hurricane Katrina displaced individuals).

(6) Sections 108 and 109 of this Act (relating to special rule for certain family related ben-

efits), but only with respect to individuals dislocated from their residence by reason of Hurricane Katrina.

(7) Title II of this Act (relating to penalty free use of retirement funds in the case of natural disasters) and section 72(t)(2)(G) of the Internal Revenue Code of 1986 (as added by section 201 of this Act).

(b) CLARIFICATION OF SCOPE OF PROVISIONS RELATING TO CHARITABLE CONTRIBUTIONS.—The provisions of sections 102 and 103 shall apply to relief efforts related to Hurricane Katrina whether or not such efforts are carried out in an area directly impacted by Hurricane Katrina.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Louisiana (Mr. MCCRERY) and the gentleman from Louisiana (Mr. JEFFERSON) each will control 20 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. MCCRERY).

Mr. MCCRERY. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise today in strong support of the Katrina Emergency Tax Relief Act of 2005. I want to thank my colleagues on both sides of the aisle for their work and support in moving this critical legislation quickly to the House floor. In particular, I want to thank the members of the Committee on Ways and Means, the gentleman from Louisiana (Mr. JEFFERSON), the gentleman from New York (Mr. RANGEL), and all the members of the Louisiana delegation for their continued assistance in crafting hurricane-related legislation.

This bill is the Committee on Ways and Means' second installment of providing targeted relief for individuals and families hurt by Hurricane Katrina. These tax provisions are aimed at easing the financial burdens of people of the region as they begin to rebuild their lives.

The bill also address the generosity of many Good Samaritans across the country who have opened up their homes to individuals and families displaced by the hurricane. H.R. 3768 would provide a special \$500 income tax deduction for those who are providing temporary housing. In addition, the Katrina Emergency Tax Relief Act encourages cash donations to help victims by relaxing some restrictions regarding how much charitable contribution can be deducted on an individual's tax return.

H.R. 3768 continues the efforts of this Congress to bring immediate relief to these individuals and families devastated by Hurricane Katrina.

□ 1230

Madam Speaker, last week, the members of the Committee on Ways and Means on both sides of the aisle acted quickly, and the House passed the TANF Emergency Response and Recovery Act. That bill will provide aid by cutting down red tape and bringing more Federal dollars to the affected areas through the Temporary Assistance for Needy Families program, with the welfare program.

The Committee on Ways and Means continues to look at programs within

our jurisdiction and how they might be used to assist those affected by Hurricane Katrina. I expect that we will bring to the House floor additional legislation in the coming weeks. We know that the people and businesses of New Orleans and the gulf coast areas hit by Katrina will rebuild, and we are committed to helping them do that.

Today, Congress will vote on much-needed tax relief for the affected areas. I urge my colleagues to support this legislation so we can quickly work with our colleagues in the Senate and further demonstrate that this Congress stands ready to help those most affected by Hurricane Katrina.

Madam Speaker, I reserve the balance of my time.

Mr. JEFFERSON. Madam Speaker, I yield myself such time as I may consume.

First, I want to thank the gentleman from Louisiana (Mr. MCCRERY), my friend and colleague, for joining me in introducing this important piece of legislation. I also want to thank the gentleman from California (Mr. THOMAS), the chairman of the committee, and the gentleman from New York (Mr. RANGEL), our ranking member, for their swift action in bringing this bill to the floor, as well as the members of the Committee on Ways and Means.

I also would be remiss if I failed to thank both the Republican and Democratic staff of the committee for their extraordinary bipartisan effort to put this tax package together in such a timely way.

Madam Speaker, the Katrina Emergency Tax Relief Act of 2005 provides much-needed aid and comfort to the victims of Hurricane Katrina and the many thousands of good Samaritans who have opened their arms, wallets and homes to provide food, clothing, shelter and medical care and other necessities to the thousands of Americans who have been uprooted in the wake of this horrible storm.

As we have all seen, while Hurricane Katrina was indiscriminate in the destruction it wrought, the unprecedented property damage, human toll and economic loss fell disproportionately on the backs of our poorest and most vulnerable citizens.

A disproportionate share of the damage in my hometown of New Orleans was meted out on parts of our great city that were already extraordinarily economically disadvantaged. The poverty, disability and economic disenfranchisement in these areas in no small way were factors in the extraordinary loss of life and property experienced by my constituents.

For this reason, I am grateful that the bill we consider today provides important relief to these vulnerable families.

First, families who have been displaced in the wake of Hurricane Katrina are held harmless against the loss of critical economic security and benefits. Damage caused by the hurricane has displaced hundreds of thou-

sands of individuals, who are temporarily living with family, friends or good Samaritans.

Under current law, a prolonged change in their living situation could affect their eligibility for various tax benefits. The proposal allows individuals the option of using their 2004 income tax returns to calculate their child credit and the Earned Income Tax Credit on their 2005 tax returns. This special rule applies to individuals who lived in areas eligible for individual assistance from the Federal Government as a result of the disaster as of August 28, 2005.

The proposal also grants the U.S. Treasury Department authority to ensure that taxpayers do not lose dependency exemptions or child credits for 2005 due to temporary relocations.

In many areas of the gulf coast devastated by Hurricane Katrina, including my hometown of New Orleans, the EITC is a vitally important part of many families' economic security. This bill ensures the continuing eligibility of the thousands of families displaced by Katrina.

Second, the legislation ensures that the victims of Hurricane Katrina are able to account fully for the losses they have suffered in the aftermath of the hurricane. Moreover, it exempts the value of forgiven mortgages and other debt from taxable income. These two very important provisions demonstrate compassion by prohibiting the IRS from kicking these families when, for many of them, they are at the lowest points in their lives.

Madam Speaker, this Act also provides an added measure of financial security to the many victims of this storm by providing them with added flexibility to access the savings they have set aside in 401(k) plans and individual retirement accounts without the usual penalties. In a time when so many have lost jobs and, consequently, their paychecks, denying or penalizing access to their savings is inappropriate, and this bill recognizes that.

As I have said repeatedly over the past 2 weeks, the recovery, reconstruction and revival of the gulf coast region, and particularly New Orleans, will require an unprecedented Federal commitment.

The bill we will pass today takes two important steps toward that recovery.

First, the bill expands the availability of low-interest mortgages for the building and purchasing of homes in the affected areas. We all understand that the most solid foundation for the economic security of our Nation's families is homeownership. By lifting some of the restrictions on the use of mortgage revenue bonds, this bill will help to build a solid economic foundation for the families whose lives have been turned upside down by Hurricane Katrina.

In addition, the Katrina Emergency Tax Relief Act also provides targeted incentives for returning businesses and new businesses to employ the thou-

sands of hardworking Americans who have been displaced or lost jobs to Hurricane Katrina. By encouraging businesses to hire workers from the affected areas, this bill takes another very important step toward our uniform goal of rebuilding and resettling New Orleans and other areas tragically struck by the hurricane.

Finally, Madam Speaker, the legislation we consider today recognizes the important contributions that good-hearted and generous Americans have made to the recovery effort. By increasing the value of the charitable deductions and providing relief to the thousands of Americans who have opened their homes to my constituents who have lost theirs, this bill is an important expression of gratitude from this Congress to the American people for rising to the challenge of Hurricane Katrina in truly extraordinary ways.

Madam Speaker, the efforts of my colleagues in providing the relief we need in the gulf coast has been unparalleled to any I have witnessed during my tenure in Congress. For that, I am extraordinarily grateful. However, we still have a long row to hoe before we have achieved the full recovery that I know we all want. I look forward to working with each of you in the coming weeks and months as we rise to the challenge of ensuring that, like the Phoenix of myth and fable, New Orleans rises from the devastation of Hurricane Katrina as a bright, shining model of American ingenuity and opportunity.

Madam Speaker, I reserve the balance of my time.

Mr. MCCRERY. Madam Speaker, I yield 2 minutes to the gentleman from Florida (Mr. FOLEY), a distinguished member of the Committee on Ways and Means.

Mr. FOLEY. Madam Speaker, I want to particularly thank the gentleman from Louisiana (Chairman MCCRERY) and the gentleman from California (Chairman THOMAS) and others for their collaborative efforts in helping the victims of Katrina. It has been a horrific time for America to witness on TV what those fine folk in Mississippi, Alabama, Florida and Louisiana have endured.

It really brings out the best in America, the character, the courage, the ability to help their neighbor, and here on the floor, we are providing relief by virtue of the Tax Code.

I want to specifically thank the gentleman from Florida (Mr. SHAW) and the gentleman from Florida (Mr. MARIO DIAZ-BALART), our colleagues who brought to the committee a very urgent need of helping Floridians as well.

The three States that were dramatically impacted have been visualized on TV, but Katrina did start off the coast of Florida, off the Bahamas and made its way through southern Florida, Daytona, Broward Counties. They suffered significant damage. The gentlewoman from Florida (Ms. WASSERMAN SCHULTZ), our colleague, as well lent a

hand in trying to see that our constituents were brought whole in this effort as well.

The chairman was specific in providing targeted relief for those that were directly impacted by the storm, and we applaud that. No tax relief measure should be a grab bag for others to dip into simply because they thought they were close to a proximity of damage.

In this bill, we establish criteria that there is significant and real damage, not perceived, not illusory, but real damage. Forgiveness of debt if, in fact, your home has been decimated and you have to discharge the mortgage obligation, relieving that would be a gain under the Tax Code for a person that has not only lost their home, had their mortgage foreclosed but is being considered by the IRS for gain on that asset simply because they got a forgiveness of debt.

Ability to reach into your IRA for the specific use in this emergency. The IRA is an important asset for future financial strengthening of all persons' assets. So we do not let people just go into the account, but it is strictly provided for on the case of emergency.

So I applaud this bill. The gentleman from Louisiana (Mr. JEFFERSON), my colleague, I know has suffered himself personally. We are delighted that we worked in a bipartisan spirit to bring about relief for the very people that have suffered so much.

Mr. JEFFERSON. Madam Speaker, I am pleased to yield 3 minutes to the gentleman from Maryland (Mr. CARDIN), a distinguished member of the Committee on Ways and Means.

(Mr. CARDIN asked and was given permission to revise and extend his remarks.)

Mr. CARDIN. Madam Speaker, let me thank the gentleman from Louisiana (Mr. JEFFERSON) for his leadership in focusing what we can do to help the victims of Katrina. I want to thank the gentleman from Louisiana (Mr. McCRERY) for his leadership on the committee.

This is exactly what we need to do. Obviously, all of us were devastated by what happened with Katrina and the failure of our government to respond in a timely and effective way, and people who were vulnerable paid a very heavy price.

What this bill does is try to deal with the problems of the victims of Katrina by looking at our Tax Code. Our first priority today must be to help those who were devastated by Katrina, and this bill looks at the Tax Code to find ways in which we can be helpful. I applaud the specific provisions that are in it because I think it will help.

To deal with the practical problems such as residency, people who now live in different parts of the country would not comply with the technical requirements in our Tax Code on residency, which is required to take advantage of some of the tax provisions. This bill provides the needed relief.

Our colleague, the gentleman from Louisiana (Mr. JEFFERSON), talked about the Earned Income Tax Credit, a very important tool to help low-wage families in this Nation. This bill will make sure that those who are entitled to that relief, who were affected by Katrina, will continue to be able to receive that help.

Along with the forgiveness of loans which is taking place, if we do not pass this bill, there could be tax consequences to that.

We provide incentives in this bill for individuals who have opened up their homes to take in those who are now without a home, and we provide full deductibility for personal casualty losses, as we should.

For job opportunity, we expand the Work Opportunity Tax Credit, as we should do, and we now make it easier for individuals to be able to give cash donations to the victims of Katrina.

Bottom line, Madam Speaker, is this bill takes care of some of the practical problems that our Tax Code could not anticipate as a result of Katrina, and I want to thank the leadership on both sides of the aisle for expediting the process to bring this bill forward so that we can try, in a constructive way, to make it easier for those who were victimized by this horrible hurricane.

Mr. McCRERY. Madam Speaker, I yield 2 minutes to the gentlewoman from Pennsylvania (Ms. HART), another distinguished member of the Committee on Ways and Means.

Ms. HART. Madam Speaker, I thank the chairman and also the gentleman from California (Chairman THOMAS) and the gentleman from New York (Ranking Member RANGEL) and my colleagues of the Committee on Ways and Means for finding some creative and very practical ways to help the victims of Hurricane Katrina.

Since it was one of the deadliest disasters, or the deadliest disaster, in U.S. history, it has left countless individuals without the most basic needs, and the American people's response has been historic, with millions being donated in time and money, nearly \$800 million already donated privately to the relief effort on top of government assistance.

Unfortunately, despite this outpouring, the people in the communities in Louisiana, Mississippi and Alabama still need help. H.R. 3768 will help these families rebuild their lives in a number of different ways.

One, it will encourage even more private help from individuals. It encourages more cash donations by individuals by allowing them to deduct more of the contributions that they give.

It will also encourage more deductions by corporations. Under current law, they can only deduct 10 percent of those donations. That is waived under this bill.

It increases the opportunity for people to provide more physical help by increasing the reimbursement rate for mileage for those who actually will

spend their gasoline getting to places to help, ways that people can get involved personally.

Also, those who have had savings, who are going to need to tap it, who have been victims, are assisted in accessing their own money. It was mentioned earlier that people can access their IRAs without the penalty that they currently would have for accessing that money before their retirement. It is important for us to allow these victims access to whatever they can get, whatever assets they can get to help them get their lives back on track sooner.

I think it is the least that we can do to address some very simple but very practical issues via this bill.

Mr. JEFFERSON. Madam Speaker, I reserve the balance of my time.

Mr. McCRERY. Madam Speaker, I yield such time as he may consume to the gentleman from California (Mr. THOMAS), the distinguished chairman of the Committee on Ways and Means.

Mr. THOMAS. Madam Speaker, I thank the gentleman for the time.

I just want to remind Members, as we move forward with yet another piece of legislation which has taken a little longer to craft because it becomes more structural in dealing with the Tax Code, as we had indicated when we came back from our summer district work period, we will probably have another piece of legislation which will deal with more additional structural assistance that takes a little longer to craft dealing with the reconstruction portion of assistance.

I took the time at the microphone this morning to indicate to my colleagues how frustrating this process has been.

□ 1245

More than a week ago, this House moved swiftly, in a bipartisan way, to simply open up the pipeline that had money already in it as direct assistance to individuals under the targeted assistance for families, or the TANF program. That bill moved off the floor of the House without even a recorded vote, and it has not yet been taken up by the Senate.

The procedure of putting a hold on legislation, which is an individual or a group of Senators' way of stopping the process, has been exercised by Members of the Senate. And I want to indicate to people how outrageous that procedure is on a bill which should have been moved last week to assist people. I take the time on this floor to say this particular legislation, a bit more structured, we had an extra week to think it out, being moved again on a bipartisan basis should not be subject to a hold in the Senate.

If the Senate cannot get its act together to move legislation, then simply allow the House's bipartisan effort to go forward. These people need help. That area needs help. The House has moved in a bipartisan way and the Senate has obstructed the movement of



needed legislation by allowing even in normal times the somewhat unseemly procedure of holds by individuals or groups of Senators, but on this legislation it is unconscionable.

Mr. JEFFERSON. Madam Speaker, I am pleased to yield 3 minutes to my colleague and friend, the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Madam Speaker, I want to thank the members of the Committee on Ways and Means for bringing this to the floor. As you know, south Mississippi, south Louisiana suffered a catastrophe of biblical proportions; and there is really no other way to describe it. A 30-foot wall of water hit south Mississippi, resulting in the breaking of the floodgates in New Orleans.

Whole communities, the city of Waveland, it is pretty fair to say no longer exists. The city of Bay Saint Louis, probably 80 percent of the people in that town lost their homes. In portions of Harrison County, in Pass Christian and Biloxi, there are entire blocks leveled, with one person not able to distinguish the parts of furniture from his house with the parts of furniture from another.

I consider myself a deficit hawk. I have voted against almost every tax bill that came to this floor because I did not want to see the deficit go up by the \$2 trillion it has. This is different. I felt that those bills took care of the wealthiest Americans. I think this bill takes care of the neediest Americans. It is truly a step in the right direction when we have so much to do.

One of the fights that the gentleman from Louisiana (Mr. MCCRERY) and all of us from the affected area will have is to help those people who could never have conceived they would flood with their insurance needs. They had wind insurance. They are now being told it did not cover a flood, and places that had never flooded in recorded history of the Europeans coming to America flooded. They are being left out in the cold. We have to find a way to help them.

There is going to be, based on the Florida experience, a number, probably in the tens of thousands of people, who will be told by FEMA that their house has been 51 percent destroyed and, by regulation, it has to be bulldozed. And then it is complicated by, I am told, based on the Florida experience, the insurance companies who will go to them and say FEMA says there is only 51 percent destruction, so we are only going to give you 51 percent of what you thought your premium was. So if you had a \$100,000 house, it is bulldozed; but you only get \$51,000 in payment. We have to fix that. We cannot let that happen again. There are too many hard-working people who are looking to Congress for leadership.

I do not say this often, because I did vote for the war in Iraq and I share in the responsibility for every one of those Americans who were wounded there and everyone who died there, but

on a daily basis we hire Iraqis to clean the streets, just to give them something to do and give them a chance at life. On a daily basis we are fixing sewer lines in Iraq. On a daily basis we are building schools in Iraq. We need to do for our fellow Americans what we so willingly do for the Iraqi people.

So I thank the committee for this great step in the right direction. It is such a, quite frankly, small step on such a monumental journey that we have to take; but it is at least a step in the right direction, and thank you for doing it.

Mr. MCCRERY. Madam Speaker, I can assure the gentleman from Mississippi that I agree with his remarks, and there will be more coming from this Congress.

Madam Speaker, I yield 2½ minutes to the gentleman from Arizona (Mr. HAYWORTH), another member of the Committee on Ways and Means.

(Mr. HAYWORTH asked and was given permission to revise and extend his remarks.)

Mr. HAYWORTH. Madam Speaker, I thank my colleague from the Committee on Ways and Means for yielding me this time.

Members of this House from States directly affected by this natural disaster have come to this floor and spoken eloquently and movingly of the needs their constituents have. Just as a natural disaster does not distinguish partisanship, so too has this House moved forward to deal effectively and, yes, as a consequence of the Tax Code and the nature of what we do, methodically and sequentially to deal in a thoughtful and compassionate manner with what we confront as a people and as a Nation.

By the same token, Madam Speaker, Americans from coast to coast and beyond have opened their hearts, opened their homes, and opened their pocketbooks to help their fellow Americans in need. And as these are the worst of times for so many affected by this natural disaster, in many ways the best of America comes through with this compassionate impulse to help others. Fittingly and properly, many of the actions we take in this legislation are targeted directly at the people whose lives have been changed and affected by this storm, but also we take into account the generosity of fellow Americans and, in dealing with the Tax Code, a couple of provisions that we need to emphasize that affect people not only who call the gulf coast home but help those around the Nation.

Briefly, the fact that we are providing tax relief for housing assistance to dislocated persons; the fact that we are encouraging cash donations by individuals and by corporations, and moving in a way to encourage yet more giving by the incredibly compassionate people known as Americans is something that should be lauded and something that I believe will go a long way in Americans helping Americans and this House, as a collective body, reach-

ing out to help those Americans most in need.

Mr. JEFFERSON. Madam Speaker, I am pleased to yield 2½ minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Madam Speaker, I thank the gentleman for yielding me this time and for his courtesy in permitting me to speak on this proposal. I applaud what the committee has done, moving forward with specific tax relief that is going to make a difference for people in this devastated area.

I am hopeful that this will signify the start of a creative effort on the part of a number of committees, people on both sides of the aisle, to figure out ways that we can have assistance that is commensurate with the challenge and, in fact, employs some of the techniques that we have used in other parts of the world.

Some of us visited the tsunami-ravaged area days after that devastation, and we saw on the ground people in Indonesia, in Sri Lanka, and in Thailand that were being put to work virtually overnight with a cash-for-work program that had people doing essential labor-intensive work that made the community better so that the recovery could proceed.

I would hope the creativity, ingenuity, and bipartisan spirit demonstrated by the Committee on Ways and Means on these important provisions could be extended to other committees, other parts of our organizational efforts here to have a program so that every able-bodied person in the three States who wants to be able to work restoring their community is given that opportunity. It will be far cheaper in the long run than employing expensive contracts from people out of State, and it will give people a sense of ownership and involvement, and it will get money circulating in those devastated local economies.

Madam Speaker, I am hopeful that we will be able to use the creativity to bring other people together for a planning effort that involves the people in Mississippi, in Alabama, and in New Orleans, because we are going to be putting at least another \$100 billion on the ground. We ought to make sure that this is not just a monument for rapid Federal reaction. It should be a model, for the very first time on this scale, taking this blank slate and working with the people who had their lives turned upside down, and making them full partners in putting the pieces back together.

Mr. MCCRERY. Madam Speaker, I yield 2 minutes to the gentleman from Mississippi (Mr. WICKER), a distinguished member of the Committee on Appropriations.

Mr. WICKER. Madam Speaker, I thank my friend for yielding me this time.

Madam Speaker, forces have been marshaled from across the Nation and, indeed, from around the globe to assist in the relief and recovery from Hurricane Katrina. But the biggest asset in

this effort is not the Federal Government; it is the generosity of our fellow citizens. From the corner lemonade stands to the corporate board rooms, people are opening their hearts, homes, churches, and their pocketbooks to assist in the relief efforts. Donations continue to pour in to countless nongovernmental organizations and to the faith community as we begin to take stock in the breadth of Katrina's destruction.

According to the 2004 generosity index, based on IRS statistics, Mississippi is the most charitable State in the country. Now we find ourselves in need of charity. It is something we take great pride in back home, that we are the leader in generosity; and with that in mind, I am thankful to see that the provisions of H.R. 3724, the charitable donation legislation I introduced last week, have been included in the relief package.

Under current law, the amount of individual or corporate deductions is now capped. This bill includes provisions to lift those caps for Katrina-related donations. In doing so, we are unleashing the awesome power of the American public and our capacity to care for our own.

This past weekend, I was part of a caravan of trucks and vans loaded with supplies from north Mississippi to several churches in the ravaged portions of my State. While I saw the pain on the faces of those who had lost so much, I also saw a determination that is strong among our people. We are already working hard on recovery and rebuilding, spurred on by the compassion and generosity of so many Americans. This bill will help provide individuals affected by this tragedy with the charitable assistance they need.

Mr. JEFFERSON. Madam Speaker, I am pleased to yield 2½ minutes to the gentleman from Illinois (Mr. EMANUEL), a distinguished member of the Committee on Ways and Means and whose family has donated generously to our food relief efforts in the affected area.

□ 1300

Mr. EMANUEL. Madam Speaker, I would like to thank both my colleagues who serve on the Ways and Means Committee who are from Louisiana and the affected area.

As you look at the overall part of this bill, both from the charitable piece to also helping the families, whether that is on debt forgiveness, dislocation as relates to building a home, and also their own family income or casualty loss, finally the Tax Code is beginning to reflect America's values: When something happens to an American, all Americans pull together to help those individuals affected restore their lives, rebuild their communities, and get back on with their own lives.

I want to isolate a particular part of this bill which deals with the Earned Income Tax Credit. I have introduced a bill with Senator OBAMA in the Senate

that would fast-track the Earned Income Tax Credit and child credit and other educational credits to affected individuals. There is a precedent for this. During 9/11, the United States Congress fast-tracked the authority and allowed the Secretary of Treasury to get to affected families during 9/11 the child credit. In the same way, we should get to the Earned Income Tax Credit, the child credit, as well as educational credits like the Hope Scholarship to affected individuals on a fast-track basis so they, as a family, can get their lives restored, families who have children, families who work.

These are all for individuals who have worked and who have paid their taxes, ensuring that they get the benefits and credits that are due to them. It would lock in and ensure that the Secretary of Treasury would fast-track and get those resources to these families and allow them to establish themselves again and get their income moving again.

One of the most important things we are going to talk about in another tax bill is helping businesses get their feet on the ground. The Earned Income Tax Credit, the child credit, other educational credits help families get their feet on the ground, going again, and operating as a family.

Today's provisions, whether it is Earned Income Tax Credit, whether it deals with the forgiven debt, whether it deals with the charity, whether it deals with deductibility for personal casualty, it reflects all of our values that we as Americans act as one in a time of need.

I compliment both of my colleagues from Louisiana, my colleagues from Mississippi, and others in Alabama from affected areas working on this legislation, the bipartisanship here, and hope that would spread to other parts of this Congress as we work on other pieces of legislation. I hope to work with them in the future on the legislation that Senator OBAMA and I introduced so we can not only help families use the 2004 tax that they submitted, their tax forms, but also that we now direct the Secretary of Treasury to fast-track those checks so those families can actually get moving.

Mr. MCCRERY. Madam Speaker, I would compliment the gentleman from Illinois for his thoughts on speeding relief to the people most in need; and, of course, the bill before us today does take some steps toward protecting those who are on the EITC already, to make sure that changed circumstances that they might encounter as a result of the disaster do not affect their eligibility for those checks. We are doing that in this legislation, but the gentleman makes an excellent point about the need for those checks to arrive in a speedy manner. I look forward to discussing that with the gentleman.

Madam Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. SOUDER).

Mr. SOUDER. Madam Speaker, I thank the gentleman from Louisiana

(Mr. MCCRERY), the gentleman from Louisiana (Mr. JEFFERSON), and I rise in support of this bill, but I would like to make a cautionary point. I have been a long advocate of the charitable points in this bill, and I think they are very important. After 9/11, however, what we saw was charitable giving diverted from people all over America into New York City.

If the giving is not sacrificial above and beyond what you already give, there are going to be children who are hungry, people without homes, people who cannot get the drug addiction assistance, juveniles who cannot find a place to go, people who cannot get immunized all over America as the money just pours into one region. Sometimes the unintended consequences of giving a preferential advantage in charitable giving over others can drive this trend even more.

As I have talked to different groups in my district who have poured down into this region, this is not a 3-month project or a 2-day project, this is going to be 7 to 9 years as they reorient their mission programs as they try to do this. We need to make sure that the broader Charitable Giving Act is passed as well so that we do not dry up charities around the country and other people who are hurting in other areas are abandoned.

I strongly favor all the incentives in this bill, I believe we absolutely need to do it in this region, but we also need to make sure that the same charitable options are there for the rest of the country, where they are not getting \$60 billion of assistance and probably \$200 billion more that is desperately needed. Because if you are hungry, if you are hurting, it is the same no matter what city you are in, and we need to make sure this charitable giving applies to the whole Nation, not just here. I am strongly in support of this, but I hope we can move an additional bill so we do not have an unintended consequence coming out of this bill.

Mr. JEFFERSON. Madam Speaker, I yield myself the balance of my time. I again want to thank my colleague from Louisiana (Mr. MCCRERY) and others who have worked so carefully on this bill. This has been an important debate, an important discussion about where this Congress is going and how it is helping out and the generosity of this Congress as we tackle these important issues and the difficult issues back home.

To those who say this is not a huge step forward, I should say to them that it is huge for the people who are involved. We take to heart the remarks made by Mr. EMANUEL, the bill that he and Mr. OBAMA are pushing to get this relief out fast. I think it is very important.

This is a huge step, but it simply is not the last step. It is far from the last step in providing relief to our region. We want this Congress to walk along



with us as we make one step after another toward realizing the vision of restoring our area and rebuilding it to a new, better, higher place.

I look forward to this walk with this Congress over the next months and years. I hope that we will stay engaged as fully as we are in these early days throughout this lengthy process.

Madam Speaker, I yield back the balance of my time.

Mr. MCCRERY. Madam Speaker, I yield myself the balance of my time.

I would be remiss if I did not thank the Bush administration, the Department of Treasury and the IRS for administratively doing a great many things that they could do without legislation to make sure that the needs of the victims of Hurricane Katrina are met vis-a-vis the Tax Code. I want to thank the administration for their important work on this subject as well.

I also want to reiterate my thanks to the gentleman from Louisiana (Mr. JEFFERSON) for working so closely with me and my staff to craft these very important individual tax provisions that, thanks to the leadership on both sides of the aisle, we have been able to bring to the floor in such a speedy manner.

Lastly, I would thank the chairman of the Committee on Ways and Means for lending the full support of his staff to this effort over the past couple of weeks. That will continue for some time to come.

I urge all Members to support this important legislation and get this needed relief to individuals who were affected by Hurricane Katrina.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. EMERSON). The question is on the motion offered by the gentleman from Louisiana (Mr. MCCRERY) that the House suspend the rules and pass the bill, H.R. 3768, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. MCCRERY. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 3768, the bill just passed.

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

There was no objection.

#### ESTABLISHING THE SELECT BIPARTISAN COMMITTEE TO INVESTIGATE THE PREPARATION FOR AND RESPONSE TO HURRICANE KATRINA

Mr. DREIER. Madam Speaker, pursuant to House Resolution 439, I call up the resolution (H. Res. 437) to establish

the Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The text of the resolution is as follows:

H. RES. 437

*Resolved,*

#### SECTION 1. ESTABLISHMENT.

There is hereby established the Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina (hereinafter referred to as the "select committee").

#### SEC. 2. COMPOSITION.

(a) The select committee shall be composed of 20 members appointed by the Speaker, of whom 9 shall be appointed after consultation with the Minority Leader. The Speaker shall designate one Member as chairman.

(b)(1) The Speaker and the Minority Leader shall be ex officio members of the select committee but shall have no vote in the select committee and may not be counted for purposes of determining a quorum.

(2) The Speaker and the Minority Leader each may designate a leadership staff member to assist in their capacity as ex officio members, with the same access to select committee meetings, hearings, briefings, and materials as employees of the select committee and subject to the same security clearance and confidentiality requirements as staff of the select committee.

#### SEC. 3. INVESTIGATION AND REPORT.

The select committee is authorized and directed to conduct a full and complete investigation and study and to report its findings to the House not later than February 15, 2006, regarding—

(1) the development, coordination, and execution by local, State, and Federal authorities of emergency response plans and other activities in preparation for Hurricane Katrina; and

(2) the local, State, and Federal government response to Hurricane Katrina.

#### SEC. 4. PROCEDURE.

Rule XI of the Rules of the House of Representatives, including the items referred to in paragraphs (1) and (2), shall apply to the select committee:

(1) Clause 2(j)(1) of rule XI (guaranteeing the minority additional witnesses).

(2) Clause 2(m)(3) of rule XI (providing for the authority to subpoena witnesses and documents).

#### SEC. 5. JOINT OPERATIONS.

The chairman of the select committee, in conducting the investigation and study described in section 3, shall consult with the chairman of a Senate committee conducting a parallel investigation and study regarding meeting jointly to receive testimony, the scheduling of hearings or issuance of subpoenas, and joint staff interviews of key witnesses.

#### SEC. 6. STAFF; FUNDING.

(a)(1) To the greatest extent practicable, the select committee shall utilize the services of staff of employing entities of the House. At the request of the chairman in consultation with the ranking minority member, staff of employing entities of the House or a joint committee may be detailed to the select committee to carry out this resolution and shall be deemed to be staff of the select committee.

(2) The chairman, upon consultation with the ranking minority member, may employ and fix the compensation of such staff as the chairman considers necessary to carry out this resolution.

(b) There shall be paid out of the applicable accounts of the House \$500,000 for the expenses of the select committee. Such payments shall be made on vouchers signed by the chairman and approved in the manner directed by the Committee on House Administration. Amounts made available under this subsection shall be expended in accordance with regulations prescribed by the Committee on House Administration.

#### SEC. 7. DISSOLUTION AND DISPOSITION OF RECORDS.

(a) The select committee shall cease to exist 30 days after filing the report required under section 3.

(b) Upon dissolution of the select committee, the records of the select committee shall become the records of any committee designated by the Speaker.

The SPEAKER pro tempore. Pursuant to House Resolution 439, the gentleman from California (Mr. DREIER) and the gentlewoman from New York (Ms. SLAUGHTER) each will control 30 minutes.

The Chair recognizes the gentleman from California (Mr. DREIER).

#### GENERAL LEAVE

Mr. DREIER. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Res. 437.

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

There was no objection.

Mr. DREIER. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, this debate that we are beginning here is about a very clear choice that is before us. Will we take the responsibility delegated to us as Members of the People's House by the framers of our Constitution to ask the hard questions, admit our mistakes and improve our Nation's government for the benefit of all? Or will we rely on proxies to do our work for us because we have judged ourselves incapable of carrying out our constitutional duty to ensure that we are providing for the general welfare, which is what the preamble of the Constitution clearly states we have a responsibility to do.

I, for one, believe as James Madison, the father of our Constitution, did, that the Constitution vests this responsibility with us. I am ready to accept the challenge as a Member of the House of Representatives. I believe that we have already started this work.

Last night, in the Committee on Rules, many of my Democratic colleagues asked excellent questions. The gentlewoman from New York (Ms. SLAUGHTER), my friend from Rochester, asked very thoughtful and important questions that need to be raised. I noted that the gentlewoman from Sacramento, California (Ms. MATSUI) similarly asked some very, very good questions that should be posed to those dealing with the preparation for and the aftermath of Hurricane Katrina.

Just yesterday the governor of my State, Pete Wilson, and I should say the former governor of my State, Pete Wilson, testified. I do know very well that we have a new governor. His name