CORNYN, Mr. BROWNBACK, Mr. LOTT, Mr. GRASSLEY, Mr. MARTINEZ, Mr. BUNNING, Mr. ALLEN, Mr. BURNS, Mr. STEVENS, Mr. DEMINT, Mr. THUNE, Mr. ENSIGN, and Mr. KYL) submitted the following resolution; which was considered and agreed to:

S. RES. 243

Whereas on June 26, 2002, a 3-judge panel of the Ninth Circuit Court of Appeals ruled in Newdow v. United States Congress that the words ''under God'' in the Pledge of Allegiance violate the Establishment Clause of the United States Constitution when recited voluntarily by students in public schools;

Whereas on March 4, 2003, the United States Senate passed a resolution disapproving of the Ninth Circuit's decision in Newdow by a vote of 94–0;

Whereas on June 14, 2004, the Supreme Court of the United States dismissed the case, citing the plaintiff's lack of standing;

Whereas on January 3, 2005, the same plaintiff and 4 other parents and their minor children filed a second suit in the Eastern District of California challenging the words ''under God'' in the Pledge of Allegiance;

Whereas on September 14, 2005, the Eastern District of California declined to dismiss the new Newdow case, holding that the Ninth Circuit's earlier ruling that the words ''under God'' in the Pledge of Allegiance violate the Establishment Clause was still binding precedent;

Whereas this country was founded on religious freedom by the Founding Fathers, many of whom were deeply religious;

Whereas the First Amendment to the United States Constitution embodies principles intended to guarantee freedom of religion both through the free exercise thereof and by prohibiting the Government from establishing a religion;

Whereas Congress, in 1954, added the words ''under God'' to the Pledge of Allegiance;

Whereas Congress, in 1954, believed it was acting constitutionally when it revised the Pledge of Allegiance;

Whereas the Pledge of Allegiance has for more than 50 years included references to the United States flag, to our country having been established as a union ''under God'', and to this country being dedicated to securing ''liberty and justice for all'';

Whereas the 107th Congress overwhelmingly passed a resolution disapproving of the panel decision of the Ninth Circuit in Newdow, and overwhelmingly passed legislation recodifying Federal law that establishes the Pledge of Allegiance in order to demonstrate Congress's opinion that voluntarily reciting the Pledge in public schools is constitutional;

Whereas the Senate believes that the Pledge of Allegiance, as revised in 1954, as recodified in 2002, and as recognized in a resolution in 2003, is a fully constitutional expression of patriotism;

Whereas the National Motto, patriotic songs, United States legal tender, and engravings on Federal buildings also refer to ''God''; and

Whereas in accordance with decisions of the United States Supreme Court, public school students are already protected from being compelled to recite the Pledge of Allegiance: Now, therefore, be it

Resolved,

SEC. 1. That the Senate strongly disapproves of the September 14, 2005, decision by the United States District Court for the Eastern District of California in Newdow, et al. v. The Congress of the United States of America, et al.

SEC. 2. That the Senate authorizes and instructs the Senate Legal Counsel to continue to cooperate fully with the Attorney General in this case in order to vigorously defend the Constitutionality of the Pledge of Allegiance.

SENATE RESOLUTION 244—EXPRESSING SUPPORT FOR THE PLEDGE OF ALLEGIANCE

Mr. SALAZAR (for himself, Mr. CORZINE, Mr. NELSON of Florida, Mr. PRYOR, and Mr. CONRAD) submitted the following resolution; which was considered and agreed to:

S. RES. 244

Whereas Congress in 1954 added the words ''under God'' to the Pledge of Allegiance;

Whereas the Pledge of Allegiance has for more than 50 years included references to the U.S. flag, the country, to our country having been established as a union ''under God'' and to this country being dedicated to securing ''liberty and justice for all'';

Whereas the Congress in 1954 believed it was acting constitutionally when it revised the Pledge of Allegiance;

Whereas this Senate of the 109th Congress believes that the Pledge of Allegiance is not an unconstitutional expression of patriotism;

Whereas patriotic songs, engravings on U.S. legal tender, engravings on Federal buildings also contain general references to ''God''; and

Whereas the Congress expects that the U.S. Court of Appeals for the Ninth Circuit will review on appeal the decision of the District Court. Now, therefore, be it

Resolved,

SEC. 1. That the Senate strongly disapproves of the U.S. District Court ruling in Newdow v. the Congress of United States of America, et al., holding the Pledge of Allegiance unconstitutional.

SEC. 2. That the Senate authorizes and instructs the Senate Legal Counsel to continue to cooperate fully with the Attorney General in this case in order to vigorously defend the constitutionality of the Pledge of Allegiance.

AMENDMENTS SUBMITTED AND PROPOSED

SA 1718. Mr. KYL proposed an amendment to the bill H.R. 2862, An Act making appropriations for the Departments of Commerce and Justice, Science, and related agencies, for the fiscal year ending September 30, 2006, and for other purposes.

SA 1719. Mr. SHELBY (for Mr. KYL) proposed an amendment to the bill H.R. 2862, supra.

SA 1720. Mr. SHELBY (for Mr. BAUCUS) proposed an amendment to the bill H.R. 2862, supra.

SA 1721. Mr. SHELBY (for Mr. DURBIN (for himself and Mr. COBURN)) proposed an amendment to the bill H.R. 2862, supra.

SA 1722. Mr. GRASSLEY (for himself and Mr. BAUCUS) proposed an amendment to the bill S. 1696, to provide tax relief for the victims of Hurricane Katrina, to provide incentives for charitable giving, and for other purposes.

SA 1723. Mr. GRASSLEY (for Mr. BOND (for himself and Mrs. MURRAY)) proposed an amendment to the bill H.R. 3649, to ensure funding for sportfishing and boating safety programs funded out of the Highway Trust Fund through the end of fiscal year 2005, and for other purposes.

SA 1724. Mr. KERRY (for himself and Ms. LANDRIEU) proposed an amendment to the bill H.R. 2862, An Act making appropriations for the Departments of Commerce and Justice, Science, and related agencies, for the fiscal year ending September 30, 2006, and for other purposes.

SA 1725. Mr. SHELBY (for Mr. REID) proposed an amendment to the bill H.R. 2862, supra.

SA 1726. Mr. BENNETT (for himself and Mr. KOHL) proposed an amendment to the bill H.R. 2744, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for the fiscal year ending September 30, 2006, and for other purposes.

SA 1727. Ms. MURKOWSKI submitted an amendment intended to be proposed by her to the bill S. 1195, to provide the necessary authority to the Secretary of Commerce for the establishment and implementation of a regulatory system for offshore aquaculture in the United States Exclusive Economic Zone, and for other purposes; which was referred to the Committee on Commerce, Science, and Transportation.

SA 1728. Mr. FRIST (for Mr. GRASSLEY (for himself and Mr. BAUCUS)) proposed an amendment to the bill H.R. 3768, to provide emergency tax relief for persons affected by Hurricane Katrina.

SA 1729. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill H.R. 2744, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table.

SA 1730. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill H.R. 2744, supra; which was ordered to lie on the table.

SA 1731. Mr. VITTER (for himself and Mr. COBURN) submitted an amendment intended to be proposed by him to the bill H.R. 2744, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 1718. Mr. KYL proposed an amendment to the bill H.R. 2862, An Act making appropriations for the Departments of Commerce and Justice, Science, and related agencies for the fiscal year ending September 30, 2006, and for other purposes; as follows:

On page 190, after line 14, insert the following:

SEC. 522. UNLAWFUL INTERNET GAMBLING.

(a) SHORT TITLE.—This section may be cited as the ''Unlawful Internet Gambling Enforcement Act of 2005''.

(b) FINDINGS.—Congress finds the following:

(1) Internet gambling is primarily funded through personal use of payment system instruments, credit cards, and wire transfers.

(2) The National Gambling Impact Study Commission in 1999 recommended the passage of legislation to prohibit wire transfers to Internet gambling sites or the banks which represent such sites.

(3) Internet gambling is a growing cause of debt collection problems for insured depository institutions and the consumer credit industry.

(c) PROHIBITION ON ACCEPTANCE OF ANY PAYMENT INSTRUMENT FOR UNLAWFUL INTERNET GAMBLING.—

(1) IN GENERAL.—Chapter 53 of title 31, United States Code, is amended by adding at the end the following:

''SUBCHAPTER IV—PROHIBITION ON FUNDING OF UNLAWFUL INTERNET GAMBLING

''§ 5361. Definitions

''In this subchapter, the following definitions shall apply:

''(1) BET OR WAGER.—The term 'bet or wager'—

''(A) means the staking or risking by any person of something of value upon the outcome of a contest of others, a sporting event, or a game subject to chance, upon an agreement or understanding that the person or another person will receive something of value in the event of a certain outcome;

''(B) includes the purchase of a chance or opportunity to win a lottery or other prize (which opportunity to win is predominantly subject to chance);

''(C) includes any scheme of a type described in section 3702 of title 28;

''(D) includes any instructions or information pertaining to the establishment or movement of funds in, to, or from an account by the bettor or customer with regard to the business of betting or wagering; and

''(E) does not include—

''(i) any activity governed by the securities laws (as that term is defined in section 3(a)(47) of the Securities Exchange Act of 1934 (15 U.S.C. 78i(a)(47)) for the purchase or sale of securities (as that term is defined in section 3(a)(10) of that Act);

''(ii) any transaction conducted on or subject to the rules of a registered entity or exempt board of trade under the Commodity Exchange Act (7 U.S.C. 1 et seq.);

''(iii) any over-the-counter derivative instrument;

''(iv) any other transaction that—

''(I) is excluded or exempt from regulation under the Commodity Exchange Act (7 U.S.C. 1 et seq.);

''(II) is exempt from State gaming or bucket shop laws under section 12(e) of the Commodity Exchange Act (7 U.S.C. 16(e)) or section 28(a) of the Securities Exchange Act of 1934 (15 U.S.C. 77bb(a); or

''(III) is conducted in accordance with the Interstate Horseracing Act of 1978 (15 U.S.C. 3001 et seq.);

''(v) any contract of indemnity or guarantee;

''(vi) any contract for insurance;

''(vii) any deposit or other transaction with an insured institution; or

''(viii) any participation in a simulation sports game, an educational game, or a contest, that—

''(I) is not dependent solely on the outcome of any single sporting event or nonparticipant's singular individual performance in any single sporting event;

''(II) has an outcome that reflects the relative knowledge of the participants, or their skill at physical reaction or physical manipulation (but not chance), and, in the case of a simulation sports game, has an outcome that is determined predominantly by accumulated statistical results of sporting events; and

''(III) offers a prize or award to a participant that is established in advance of the game or contest and is not determined by the number of participants or the amount of any fees paid by those participants.

''(2) BUSINESS OF BETTING OR WAGERING.—The term 'business of betting or wagering' does not include a financial transaction provider, or any interactive computer service or telecommunications service.

''(3) DESIGNATED PAYMENT SYSTEM.—The term 'designated payment system' means any system utilized by a financial transaction provider that the Secretary, in consultation with the Board of Governors of the Federal Reserve System and the Attorney General, determines, by regulation or order, could be utilized in connection with, or to facilitate, any restricted transaction.

''(4) FINANCIAL TRANSACTION PROVIDER.—The term 'financial transaction provider' means a creditor, credit card issuer, financial institution, operator of a terminal at which an electronic fund transfer may be initiated, money transmitting business, or international, national, regional, or local network utilized to effect a credit transaction, electronic fund transfer, stored value product transaction, or money transmitting service, or a participant in such network.

''(5) INTERNET.—The term 'Internet' means the international computer network of interoperable packet switched data networks.

''(6) INTERACTIVE COMPUTER SERVICE.—The term 'interactive computer service' has the same meaning as in section 230(f) of the Communications Act of 1934 (47 U.S.C. 230(f)).

''(7) RESTRICTED TRANSACTION.—The term 'restricted transaction' means any transaction or transmittal involving any credit, funds, instrument, or proceeds described in any paragraph of section 5362 which the recipient is prohibited from accepting under section 5362.

''(8) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

''(9) UNLAWFUL INTERNET GAMBLING.—

''(A) IN GENERAL.—The term 'unlawful Internet gambling' means to place, receive, or otherwise knowingly transmit a bet or wager by any means which involves the use, at least in part, of the Internet where such bet or wager is unlawful under any applicable Federal or State law in the State in which the bet or wager is initiated, received, or otherwise made.

''(B) INTRASTATE TRANSACTIONS.—The term 'unlawful Internet gambling' does not include placing, receiving, or otherwise transmitting a bet or wager where—

''(i) the bet or wager is placed and received or otherwise made within a single State;

''(ii) the bet or wager is expressly authorized by and placed in accordance with the laws of such State, and such State's laws or regulations include—

''(I) age and location verification requirements reasonably designed to block access to minors and persons located outside of such State; and

''(II) appropriate data security standards to prevent unauthorized access by any person whose age and current location has not been verified in accordance with such State's laws or regulations; and

''(iii) the bet or wager does not violate any provision of the—

''(I) Interstate Horseracing Act (15 U.S.C. 3001 et seq.);

''(II) Professional and Amateur Sports Protection Act (28 U.S.C. 3701 et seq.);

''(III) Gambling Devices Transportation Act (15 U.S.C. 1171 et seq.); or

''(IV) Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.).

''(C) INTERMEDIATE ROUTING.—The intermediate routing of electronic data shall not determine the location or locations in which a bet or wager is initiated, received, or otherwise made.

''(10) OTHER TERMS.—

''(A) CREDIT; CREDITOR; CREDIT CARD; AND CARD ISSUER.—The terms 'credit', 'creditor', 'credit card', and 'card issuer' have the same meanings as in section 103 of the Truth in Lending Act (15 U.S.C. 1602).

''(B) ELECTRONIC FUND TRANSFER.—The term 'electronic fund transfer'—

''(i) has the same meaning as in section 903 of the Electronic Fund Transfer Act (15 U.S.C. 1693a et seq.), except that such term includes transfers that would otherwise be excluded under section 903(6)(E) (15 U.S.C. 1693a(6)(E)) of that Act; and

''(ii) includes any fund transfer covered by Article 4A of the Uniform Commercial Code, as in effect in any State.

''(C) FINANCIAL INSTITUTION.—The term 'financial institution' has the same meaning as in section 903 of the Electronic Fund Transfer Act (15 U.S.C. 1693a et seq.), except that such term does not include a casino, sports book, or other business at or through which bets or wagers may be placed or received.

''(D) INSURED INSTITUTION.—The term 'insured institution' means—

''(i) an insured depository institution, as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

''(ii) an insured credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752(7)).

''(E) MONEY TRANSMITTING BUSINESS AND MONEY TRANSMITTING SERVICE.—The terms 'money transmitting business' and 'money transmitting service' have the same meanings as in section 5330(d) (determined without regard to any regulations issued by the Secretary thereunder).

''§ 5362. Prohibition on acceptance of any financial instrument for unlawful Internet gambling

''No person engaged in the business of betting or wagering may knowingly accept, in connection with the participation of another person in unlawful Internet gambling—

''(1) credit, or the proceeds of credit, extended to or on behalf of such other person (including credit extended through the use of a credit card);

''(2) an electronic fund transfer, or funds transmitted by or through a money transmitting business, or the proceeds of an electronic fund transfer or money transmitting service, from or on behalf of such other person;

''(3) any check, draft, or similar instrument which is drawn by or on behalf of such other person and is drawn on or payable at or through any financial institution; or

''(4) the proceeds of any other form of financial transaction, as the Secretary may prescribe by regulation, which involves a financial institution as a payor or financial intermediary on behalf of or for the benefit of such other person.

''§ 5363. Policies and procedures to identify and prevent restricted transactions

''(a) REGULATIONS.—Not later than 270 days after the date of enactment of this subchapter, the Secretary, in consultation with the Board of Governors of the Federal Reserve System and the Attorney General, shall prescribe regulations requiring each designated payment system, and all participants therein, to identify and prevent restricted transactions through the establishment of policies and procedures reasonably designed to—

''(1) allow the payment system and any person involved in the payment system to identify restricted transactions by means of codes in authorization messages or by other means;

''(2) block restricted transactions identified as a result of the policies and procedures developed under paragraph (1); and

''(3) prevent the acceptance of the products or services of the payment system in connection with a restricted transaction.

''(b) REQUIREMENTS FOR POLICIES AND PROCEDURES.—In prescribing regulations under subsection (a), the Secretary shall—

''(1) identify types of policies and procedures, including nonexclusive examples, which would be deemed, as applicable, to be reasonably designed—

''(A) to identify, block, or prevent the acceptance of the products or services with respect to each type of restricted transaction; and

''(B) not to disrupt the legal transactions of persons licensed to engage in the business of betting or wagering;

''(2) to the extent practical, permit any participant in a payment system to choose among alternative means of identifying and

blocking, or otherwise preventing the acceptance of the products or services of the payment system or participant in connection with, restricted transactions; and

''(3) consider exempting restricted transactions from any requirement imposed under such regulations, if the Secretary finds that it is not reasonably practical to identify and block, or otherwise prevent, such transactions without significant disruption of legal business transactions.

''(c) COMPLIANCE WITH PAYMENT SYSTEM POLICIES AND PROCEDURES.—A financial transaction provider shall be considered to be in compliance with the regulations prescribed under subsection (a), if—

''(1) such person relies on and complies with the policies and procedures of a designated payment system of which it is a member or participant to—

''(A) identify and block restricted transactions; or

''(B) otherwise prevent the acceptance of the products or services of the payment system, member, or participant in connection with restricted transactions; and

''(2) such policies and procedures of the designated payment system comply with the requirements of regulations prescribed under subsection (a).

''(d) NO LIABILITY FOR BLOCKING OR REFUSING TO HONOR RESTRICTED TRANSACTIONS.—A person that is subject to a regulation prescribed or order issued under this subchapter and blocks, or otherwise refuses to honor, a restricted transaction or a transaction that such person reasonably believes to be a restricted transaction, or as a member of a designated payment system relies on the policies and procedures of the payment system, in an effort to comply with regulations prescribed under subsection (a), shall not be liable to any party for such action.

''(e) REGULATORY ENFORCEMENT.—Regulations issued by the Secretary under this subchapter shall be enforced by the Federal functional regulators and the Federal Trade Commission, in the manner provided in section 505(a) of the Gramm-Leach-Bliley Act (15 U.S.C. 6805(a)).

''§ 5364. Civil remedies

''(a) JURISDICTION.—The district courts of the United States shall have original and exclusive jurisdiction to prevent and restrain violations of this subchapter or the rules or regulations issued under this subchapter by issuing appropriate orders in accordance with this section, regardless of whether a prosecution has been initiated under this subchapter.

''(b) PROCEEDINGS.—

''(1) INSTITUTION BY FEDERAL GOVERNMENT.—

''(A) IN GENERAL.—The United States, acting through the Attorney General, or, in the case of rules or regulations issued under this subchapter, through an agency authorized to enforce such regulations in accordance with this subchapter, may institute proceedings under this section to prevent or restrain a violation or a threatened violation of this subchapter or such rules or regulations.

''(B) RELIEF.—Upon application of the United States under this paragraph, the district court may enter a preliminary injunction or an injunction against any person to prevent or restrain a violation or threatened violation of this subchapter or the rules or regulations issued under this subchapter, in accordance with rule 65 of the Federal Rules of Civil Procedure.

''(2) INSTITUTION BY STATE ATTORNEY GENERAL.—

''(A) IN GENERAL.—The attorney general (or other appropriate State official) of a State in which a violation of this subchapter allegedly has occurred or will occur may institute proceedings under this section to prevent or restrain the violation or threatened violation.

''(B) RELIEF.—Upon application of the attorney general (or other appropriate State official) of an affected State under this paragraph, the district court may enter a preliminary injunction or an injunction against any person to prevent or restrain a violation or threatened violation of this subchapter, in accordance with rule 65 of the Federal Rules of Civil Procedure.

''(3) INDIAN LANDS.—

''(A) IN GENERAL.—Notwithstanding paragraphs (1) and (2), for a violation of this subchapter or the rules or regulations issued under this subchapter that is alleged to have occurred, or may occur, on Indian lands (as that term is defined in section 4 of the Indian Gaming Regulatory Act (25 U.S.C. 2703))—

''(i) the United States shall have the enforcement authority provided under paragraph (1); and

''(ii) the enforcement authorities specified in an applicable Tribal-State compact negotiated under section 11 of the Indian Gaming Regulatory Act (25 U.S.C. 2710) shall be carried out in accordance with that compact.

''(B) RULE OF CONSTRUCTION.—No provision of this section shall be construed as altering, superseding, or otherwise affecting the application of the Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.).

''(c) EXPEDITED PROCEEDINGS.—In addition to any proceeding under subsection (b), a district court may, in exigent circumstances, enter a temporary restraining order against a person alleged to be in violation of this subchapter or the rules or regulations issued under this subchapter, upon application of the United States under subsection (b)(1), or the attorney general (or other appropriate State official) of an affected State under subsection (b)(2), in accordance with rule 65(b) of the Federal Rules of Civil Procedure.

''(d) LIMITATION RELATING TO INTERACTIVE COMPUTER SERVICES.—

''(1) IN GENERAL.—Relief granted under this section against an interactive computer service shall—

''(A) be limited to the removal of, or disabling of access to, an online site violating this subchapter, or a hypertext link to an online site violating this subchapter, that resides on a computer server that such service controls or operates, except that the limitation in this subparagraph shall not apply if the service is subject to liability under this section under section 5366;

''(B) be available only after notice to the interactive computer service and an opportunity for the service to appear are provided;

''(C) not impose any obligation on an interactive computer service to monitor its service or to affirmatively seek facts indicating activity violating this subchapter;

''(D) specify the interactive computer service to which it applies; and

''(E) specifically identify the location of the online site or hypertext link to be removed or access to which is to be disabled.

''(2) COORDINATION WITH OTHER LAW.—An interactive computer service that does not violate this subchapter shall not be liable under section 1084 of title 18, except that the limitation in this paragraph shall not apply if an interactive computer service has actual knowledge and control of bets and wagers and—

''(A) operates, manages, supervises, or directs an Internet website at which unlawful bets or wagers may be placed, received, or otherwise made or at which unlawful bets or wagers are offered to be placed, received, or otherwise made; or

''(B) owns or controls, or is owned or controlled by, any person who operates, manages, supervises, or directs an Internet website at which unlawful bets or wagers may be placed, received, or otherwise made, or at which unlawful bets or wagers are offered to be placed, received, or otherwise made.

''(e) FACTORS TO BE CONSIDERED IN CERTAIN CASES.—In considering granting relief under this section against any payment system, or any participant in a payment system that is a financial transaction provider, the court shall consider—-

''(1) the extent to which the person extending credit or transmitting funds knew or should have known that the transaction was in connection with unlawful Internet gambling;

''(2) the history of such person in extending credit or transmitting funds when such person knew or should have known that the transaction is in connection with unlawful Internet gambling;

''(3) the extent to which such person has established and is maintaining policies and procedures in compliance with rules and regulations issued under this subchapter;

''(4) the extent to which it is feasible for any specific remedy prescribed as part of such relief to be implemented by such person without substantial deviation from normal business practice; and

''(5) the costs and burdens that the specific remedy will have on such person.

''(f) NOTICE TO REGULATORS AND FINANCIAL INSTITUTIONS.—Before initiating any proceeding under subsection (b), with respect to a violation or potential violation of this subchapter or the rules or regulations issued under this subchapter by any financial transaction provider, the Attorney General, an attorney general (or other appropriate State official) of a State, or an agency authorized to initiate such proceeding under this subchapter, shall—

''(1) notify such person, and the appropriate regulatory agency (as determined in accordance with section 5363(e) for such person) of such violation or potential violation and the remedy to be sought in such proceeding; and

''(2) allow such person not longer than 60 days to implement a remedy for the violation or potential violation, consistent with the factors described in subsection (e), and in conjunction with such action as the appropriate regulatory agency may take, if such person takes reasonable steps within that 60-day period to prevent the occurrence of such violation or potential violation pending implementation of such remedy.

''§ 5365. Criminal penalties

''(a) IN GENERAL.—Whoever violates section 5362 shall be fined under title 18, or imprisoned for not more than 5 years, or both.

''(b) PERMANENT INJUNCTION.—Upon conviction of a person under this section, the court may enter a permanent injunction enjoining such person from placing, receiving, or otherwise making bets or wagers or sending, receiving, or inviting information assisting in the placing of bets or wagers.

''§ 5366. Circumventions prohibited

''Notwithstanding section 5361(2), a financial transaction provider, or any interactive computer service or telecommunications service, may be liable under this subchapter if such person has actual knowledge and control of bets and wagers, and—

''(1) operates, manages, supervises, or directs an Internet website at which unlawful bets or wagers may be placed, received, or otherwise made, or at which unlawful bets or wagers are offered to be placed, received, or otherwise made; or

''(2) owns or controls, or is owned or controlled by, any person who operates, manages, supervises, or directs an Internet

website at which unlawful bets or wagers may be placed, received, or otherwise made, or at which unlawful bets or wagers are offered to be placed, received, or otherwise made.

''§ 5367. Rule of construction

''No provision of this subchapter shall be construed as altering, limiting, or extending any Federal or State law or Tribal-State compact prohibiting, permitting, or regulating gambling within the United States.''.

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 53 of title 31, United States Code, is amended by adding at the end the following:

''SUBCHAPTER IV—PROHIBITION ON FUNDING OF UNLAWFUL INTERNET GAMBLING

''Sec. 5361. Definitions.
''Sec. 5362. Prohibition on acceptance of any financial instrument for unlawful Internet gambling.
''Sec. 5363. Policies and procedures to identify and prevent restricted transactions.
''Sec. 5364. Civil remedies.
''Sec. 5365. Criminal penalties.
''Sec. 5366. Circumventions prohibited.
''Sec. 5367. Rule of construction.''

(d) INTERNET GAMBLING IN OR THROUGH FOREIGN JURISDICTIONS.—

(1) IN GENERAL.—In deliberations between the United States Government and any other country on money laundering, corruption, and crime issues, the United States Government should—

(A) encourage cooperation by foreign governments and relevant international fora in identifying whether Internet gambling operations are being used for money laundering, corruption, or other crimes;

(B) advance policies that promote the cooperation of foreign governments, through information sharing or other measures, in the enforcement of this Act; and

(C) encourage the Financial Action Task Force on Money Laundering, in its annual report on money laundering typologies, to study the extent to which Internet gambling operations are being used for money laundering purposes.

(2) REPORT REQUIRED.—The Secretary of the Treasury shall submit an annual report to Congress on any deliberations between the United States and other countries on issues relating to Internet gambling.

SA 1719. Mr. SHELBY (for Mr. KYL) proposed an amendment to the bill H.R. 2862, An Act making appropriations for the Departments of Commerce and Justice, Science, and related agencies for the fiscal year ending September 30, 2006, and for other purposes; as follows:.

On page 120, line 24, after the colon insert the following: ''*Provided further*, That of the funds provided under this heading, $5,000,000 may be expended for hiring officers in the Southwest United States dedicated to the investigation of manufacturers of fraudulent Federal identity documents, Federal travel documents, or documents allowing access to Federal programs:''.

SA 1720. Mr. SHELBY (for Mr. BAUCUS) proposed an amendment to the bill H.R. 2862, An Act making appropriations for the Departments of Commerce and Justice, Science, and related agencies for the fiscal year ending September 30, 2006, and for other purposes; as follows:.

On page 147, line 5, strike ''$283,985,000'' and all that follows through line 6 and insert the following: $483,985,000, to remain available until expended: *Provided*, That $200,000,000 shall be for assistance described in section 209(c)(2) of that Act (42 U.S.C. 3149(c)(2)) and is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress).

On page 147, line 10, strike ''$30,939,000: *Provided*'' and insert the following: $40,939,000: *Provided*, That $10,000,000 shall be for salaries and expenses of carrying out section 209(c)(2) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3149(c)(2)) and is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress): *Provided further*

SA 1721. Mr. SHELBY (for Mr. DURBIN (for himself and Mr. COBURN)) proposed an amendment to the bill H.R. 2862, An Act making appropriations for the Departments of Commerce and Justice, Science, and related agencies for the fiscal year ending September 30, 2006, and for other purposes; as follows:.

At the appropriate place, insert the following:

SEC. ___. WAIVER OF LICENSING AND CERTIFICATION REQUIREMENTS APPLICABLE TO CERTAIN HEALTH PROFESSIONALS.

(a) IN GENERAL.—Notwithstanding any other provision of law, an eligible health professional may provide health-related services under the medicare, medicaid, or SCHIP program under title XVIII, XIX, or XXI of the Social Security Act (42 U.S.C. 1395 et seq., 1396 et seq., and 1397 et seq.) and under Indian Health Service programs, regardless of the licensing or certification laws of the State in which such services are being provided, during the 90-day period that begins on the date on which eligibility is determined by the State licensing board of the State in which such professional will provide health-related services under this subsection.

(b) ELIGIBLE HEALTH PROFESSIONAL.—To be eligible to provide health-related services in a State during the period referred to in subsection (a) without State licensure or certification, a health professional shall—

(1) be a physician, nurse, dentist, pharmacist, mental health professional, or allied health profession, or any other professional determined appropriate by the Secretary of Health and Human Services;

(2) have a valid license from, or be certified in, at least one of the States affected by Hurricane Katrina, as described in subsection (d), and not be affirmatively barred from practicing in that State;

(3) have been evacuated from Louisiana or Mississippi as a result of Hurricane Katrina; and

(4) have applied, prior to March 31, 2006, for a license or certification in the State in which such professional will provide the health-related services under subsection (a) without State licensure or certification.

(c) EVIDENCE OF LICENSURE.—

(1) IN GENERAL.—A State may develop a process to verify the licensing credentials of a health professional to which this section applies if the professional has no official evidence of licensure in his or her possession.

(2) FRAUD.—An individual who wilfully provides any false or misleading information to a Federal, State, or local official for purposes of being covered under the provisions of this section shall, in addition to any State penalties that may apply, be subject to a fine, as determined appropriate by the Attorney General in accordance with title 18, United States Code.

(d) STATES DESCRIBED.—The States described in this subsection are Louisiana and Mississippi.

(e) LIMITATION.—A health professional may only elect to utilize the provisions of this section for a single 90-day period.

(f) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as altering or affecting any procedures adopted by State health professional licensing or certification boards relating to waivers of licensing and certification requirements for health professionals affected by Hurricane Katrina.

(g) DEFINITION.—In this section, the term ''health-related services'', as such term is applied to health professional under this section, means services provided by a health professional that are consistent with the scope of practice of the professional in the State in which such professional is seeking licensure or certification.

SA 1722. Mr. GRASSLEY (for himself and Mr. BAUCUS) proposed an amendment to the bill S. 1696, to provide tax relief for the victims of Hurricane Katrina, to provide incentives for charitable giving, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Hurricane Katrina Tax Relief Act of 2005''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

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

Sec. 1. Short title; amendment of 1986 Code; table of contents.
Sec. 2. Hurricane Katrina disaster area.
TITLE I—PENALTY FREE USE OF RETIREMENT FUNDS BY NATURAL DISASTER VICTIMS
Sec. 101. Penalty free withdrawals from retirement plans for victims of federally declared natural disasters.
Sec. 102. Income averaging for disaster-relief distributions related to Hurricane Katrina.
Sec. 103. Recontributions of withdrawals for home purchases cancelled due to Hurricane Katrina.
Sec. 104. Loans from qualified plans to victims of Hurricane Katrina.
Sec. 105. Provisions relating to plan amendments.
TITLE II—EMPLOYMENT RELIEF
Sec. 201. Work opportunity tax credit for Hurricane Katrina employee survivors.
Sec. 202. Employee retention credit for employers affected by Hurricane Katrina.
TITLE III—CHARITABLE GIVING INCENTIVES
Sec. 301. Temporary increase in limitation on individual and corporate charitable cash contributions.
Sec. 302. Tax-free distributions from individual retirement accounts for charitable purposes.
Sec. 303. Charitable deduction for contributions of food inventories.
Sec. 304. Charitable deduction for contributions of book inventories.
Sec. 305. Additional personal exemption amount for Hurricane Katrina houseguest.

Sec. 306. Increase in standard mileage rate for charitable use of passenger automobile.

TITLE IV—ADDITIONAL TAX RELIEF PROVISIONS

Sec. 401. Exclusions of certain cancellations of indebtedness for victims of Hurricane Katrina.
Sec. 402. Modification to casualty loss rules for victims of Hurricane Katrina.
Sec. 403. Required exercise of authority under section 7508A for tax relief for victims of Hurricane Katrina.
Sec. 404. Special mortgage financing rules for residences located in Hurricane Katrina disaster area.
Sec. 405. Extension of replacement period for nonrecognition of gain for property located in Hurricane Katrina disaster area.
Sec. 406. Special rule for determining earned income.
Sec. 407. Secretarial authority to make adjustments regarding taxpayer and dependency status.

TITLE V—ADDITIONAL PROVISIONS

Sec. 501. Disclosure to State officials of proposed actions related to exempt organizations.
Sec. 502. Dedication and use of certain fees.

SEC. 2. HURRICANE KATRINA DISASTER AREA.

For purposes of this Act, the term ''Hurricane Katrina disaster area'' means an area—

(1) with respect to which a major disaster has been declared by the President before September 14, 2005, under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act in connection with Hurricane Katrina, and

(2) which is determined by the President before such date to warrant individual assistance, or individual and public assistance, from the Federal Government under such Act.

TITLE I—PENALTY FREE USE OF RETIREMENT FUNDS BY NATURAL DISASTER VICTIMS

SEC. 101. PENALTY FREE WITHDRAWALS FROM RETIREMENT PLANS FOR VICTIMS OF FEDERALLY DECLARED NATURAL DISASTERS.

(a) IN GENERAL.—Paragraph (2) of section 72(t) (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 TO VICTIMS OF FEDERALLY DECLARED NATURAL DISASTERS.—

''(i) DISTRIBUTION ALLOWED.—Any qualified disaster-relief distribution.

''(ii) 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), 408(d)(3), or 457(e)(16), 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.

''(iii) QUALIFIED DISASTER-RELIEF DISTRIBUTION.—Except as provided in clause (iv), 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 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.

''(iv) DOLLAR LIMITATION.—

''(I) IN GENERAL.—The term 'qualified disaster-relief distribution' shall not include any distributions with respect to any major disaster described in clause (iii)(I) to the extent the aggregate amount of such distributions exceeds $100,000.

''(II) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual with respect to any such major disaster would (without regard to subclause (I)) be a qualified disaster-relief distribution, a plan shall not be treated as violating any requirement of this title merely because it treats such distribution as a qualified disaster-relief distribution, unless the aggregate amount of such distributions from all plans maintained by the employer (and any member of controlled group which includes the employer) to such individual with respect to such major disaster exceeds $100,000.

''(v) QUALIFIED DISASTER AREA.—For purposes of this subparagraph, the term 'qualified disaster area' means an area—

''(I) with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, and

''(II) which is determined by the President to warrant individual assistance, or individual and public assistance, from the Federal Government under such Act.''.

(b) EXEMPTION OF DISTRIBUTIONS FROM TRUSTEE TO TRUSTEE TRANSFER AND WITHHOLDING RULES.—Paragraph (4) of section 402(c) (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) 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) is amended by inserting ''sustains a loss as a result of a major disaster declared under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (but only to the extent provided in section 72(t)(2)(G)),'' before ''or''.

(3) Section 403(b)(11) 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.''.

(4) Section 457(d)(1)(A) is amended by striking ''or'' at the end of clause (ii), by adding ''or'' at the end of clause (iii), and by adding at the end the following new clause:

''(iv) in the case of an eligible deferred compensation plan established and maintained by an employer described in subsection (e)(1)(A), when the participant sustains a loss as a result of a major disaster declared under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (but only to the extent provided in section 72(t)(2)(G)),''.

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

SEC. 102. 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) in connection with Hurricane Katrina and who has a principal place of abode immediately before the declaration in a Hurricane Katrina disaster area.

SEC. 103. 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), or 408(d)(3) 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) (but only to the extent such distribution relates to financial hardship), 403(b)(11)(B), 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.

SEC. 104. LOANS FROM QUALIFIED PLANS TO VICTIMS OF 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 102(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 103(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 102(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. 105. PROVISIONS RELATING TO PLAN AMENDMENTS.

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

(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 II—EMPLOYMENT RELIEF

SEC. 201. WORK OPPORTUNITY TAX CREDIT FOR HURRICANE KATRINA EMPLOYEE SURVIVORS.

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

(b) HURRICANE KATRINA EMPLOYEE SURVIVOR.—For purposes of this section, the term ''Hurricane Katrina employee survivor'' means any individual who is certified as an individual who—

(1) on August 28, 2005, had a principal place of abode in a Hurricane Katrina disaster area, and

(2) became unemployed as a result of Hurricane Katrina.

(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 survivor—

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

(2) notwithstanding section 51(d)(12) of such Code, the certification under subsection (b) shall be made in such manner and at such time as determined by the Secretary of the Treasury, except that the certification shall be made by a person other than the such employee survivor or the employer (within the meaning of section 51 of such Code), and

(3) section 51(i)(2) of such Code shall not apply with respect to the first hire of such employee survivor, unless such employee survivor was an employee of the employer on August 28, 2005.

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

(1) for an employer during the 1-year period beginning on August 29, 2005, or

(2) in the case of an individual who is being hired for a position the principal place of employment of which is located in a Hurricane Katrina disaster area, for any employer during the 3-year period beginning on such date.

SEC. 202. EMPLOYEE RETENTION CREDIT FOR EMPLOYERS AFFECTED BY HURRICANE KATRINA.

(a) IN GENERAL.—In the case of an eligible employer, there shall be allowed as a credit against the tax imposed by chapter 1 of the Internal Revenue Code of 1986 for the taxable year an amount equal to 40 percent of the qualified wages with respect to each eligible employee of such employer for such taxable year. For purposes of the preceding sentence, the amount of qualified wages which may be taken into account with respect to any individual shall not exceed $6,000.

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

(1) ELIGIBLE EMPLOYER.—The term ''eligible employer'' means any employer—

(A) which conducted an active trade or business on August 28, 2005, in a Hurricane Katrina disaster area, and

(B) with respect to whom the trade or business described in subparagraph (A) is inoperable on any day after August 28, 2005, and before January 1, 2006, as a result of damage sustained in connection with Hurricane Katrina.

(2) ELIGIBLE EMPLOYEE.—The term ''eligible employee'' means with respect to an eligible employer—

(A) an employee whose principal place of employment on August 28, 2005, with such eligible employer was in a Hurricane Katrina disaster area, or

(B) a Ready Reserve-National Guard employee of such eligible employer who is performing qualified active duty and whose principal place of employment immediately before the date on which such employee began performing such qualified active duty was in a Hurricane Katrina disaster area.

(3) QUALIFIED WAGES.—The term ''qualified wages'' means wages (as defined in section 51(c)(1) of the Internal Revenue Code of 1986, but without regard to section 3306(b)(2)(B) of such Code) paid or incurred by an eligible employer with respect to an eligible employee on any day after August 28, 2005, and before January 1, 2006, which occurs during the period—

(A) beginning on the date on which the trade or business described in paragraph (1) first became inoperable at the principal place of employment of the employee immediately before Hurricane Katrina, and

(B) ending on the date on which such trade or business has resumed significant operations at such principal place of employment.

Such term shall include wages paid without regard to whether the employee performs no services, performs services at a different place of employment than such principal place of employment, or performs services at

such principal place of employment before significant operations have resumed.

(4) READY RESERVE-NATIONAL GUARD EMPLOYEE.—The term ''Ready Reserve-National Guard employee'' means an employee who is a member of the Ready Reserve of a reserve component of an Armed Force of the United States as described in section 10142 and 10101 of title 10, United States Code and who is performing qualified active duty.

(5) QUALIFIED ACTIVE DUTY.—The term ''qualified active duty'' means—

(A) active duty, other than the training duty specified in section 10147 of title 10, United States Code (relating to training requirements for Ready Reserve), or section 502(a) of title 32, United States Code (relating to required drills and field exercises for the National Guard), in connection with which an employee is entitled to reemployment rights and other benefits or to a leave of absence from employment under chapter 43 of title 38, United States Code, and

(B) hospitalization incident to such duty.

(c) CERTAIN RULES TO APPLY.—For purposes of this section, rules similar to the rules of sections 51(i)(1), 52, and 280C(a) of the Internal Revenue Code of 1986 of the shall apply.

(d) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—The credit allowed under this section shall be added to the current year business credit under section 38(b) of the Internal Revenue Code of 1986 and shall be treated as a credit allowed under subpart D of part IV of subchapter A of chapter 1 of such Code.

TITLE III—CHARITABLE GIVING INCENTIVES

SEC. 301. TEMPORARY INCREASE IN LIMITATION ON INDIVIDUAL AND CORPORATE CHARITABLE CASH CONTRIBUTIONS.

(a) IN GENERAL.—In the case of qualified contributions made during the period beginning on August 29, 2005, and ending on December 31, 2005, in the case of any taxable year which includes any portion of such period—

(1) subsection (b)(1)(A) of section 170 of the Internal Revenue Code of 1986 shall be applied separately—

(A) first without regard to such contributions, and

(B) next with regard to such contributions by substituting ''60 percent of the taxpayer's contribution base less the other contributions allowable under this paragraph for the taxable year'' for ''50 percent of the taxpayer's contribution base for the taxable year'', and

(2) subsection (b)(2) of section 170 of such Code shall be applied separately—

(A) first without regard to such contributions, and

(B) next with regard to such contributions by substituting ''15 percent of the taxpayer's taxable income less the other charitable contributions allowable for the taxable year'' for ''10 percent of the taxpayer's taxable income''.

(b) QUALIFIED CONTRIBUTIONS.—For purposes of this section, the term ''qualified contributions'' means any charitable contributions (as defined in section 170(c) of such Code) made in cash to an organization described in section 170(b)(1)(A) of such Code.

(c) APPLICATION OF CARRYOVER RULES.—For purposes of section 170 of such Code—

(1) qualified contributions shall not be taken into account under section 170(d)(1)(A)(i) of such Code in determining the amount of the deduction allowable under such section with respect to such contributions, and

(2) to the extent qualified contributions increase the amount allowable under section 170 of such Code by reason of subsection (a), such contributions shall not be taken into account under section 170(d) of such Code.

(d) FISCAL YEAR TAXPAYERS.—In the case of a taxpayer whose taxable year ends after August 28, 2005, and before December 31, 2005, subsection (a) shall apply to only the one taxable year that the taxpayer elects.

SEC. 302. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subsection (d) of section 408 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

''(8) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

''(A) IN GENERAL.—No amount shall be includible in gross income by reason of a qualified charitable distribution.

''(B) QUALIFIED CHARITABLE DISTRIBUTION.—For purposes of this paragraph, the term 'qualified charitable distribution' means any distribution made after August 28, 2005, and before January 1, 2006, from an individual retirement account—

''(i) which is made directly by the trustee—

''(I) to an organization described in section 170(c), or

''(II) to a split-interest entity, and

''(ii) which is made on or after—

''(I) in the case of any distribution described in clause (i)(I), the date that the individual for whose benefit the account is maintained has attained age 70½, and

''(II) in the case of any distribution described in clause (i)(II), the date that such individual has attained age 59½.

A distribution shall be treated as a qualified charitable distribution only to the extent that the distribution would be includible in gross income without regard to subparagraph (A) and, in the case of a distribution to a split-interest entity, only if no person holds an income interest in the amounts in the split-interest entity attributable to such distribution other than one or more of the following: the individual for whose benefit such account is maintained, the spouse of such individual, or any organization described in section 170(c).

''(C) CONTRIBUTIONS MUST BE OTHERWISE DEDUCTIBLE.—For purposes of this paragraph—

''(i) DIRECT CONTRIBUTIONS.—A distribution to an organization described in section 170(c) shall be treated as a qualified charitable distribution only if a deduction for the entire distribution would be allowable under section 170 (determined without regard to subsection (b) thereof and this paragraph).

''(ii) SPLIT-INTEREST GIFTS.—A distribution to a split-interest entity shall be treated as a qualified charitable distribution only if a deduction for the entire value of the interest in the distribution for the use of an organization described in section 170(c) would be allowable under section 170 (determined without regard to subsection (b) thereof and this paragraph).

''(D) APPLICATION OF SECTION 72.—Notwithstanding section 72, in determining the extent to which a distribution is a qualified charitable distribution, the entire amount of the distribution shall be treated as includible in gross income without regard to subparagraph (A) to the extent that such amount does not exceed the aggregate amount which would have been so includible if all amounts were distributed from all individual retirement accounts treated as 1 contract under paragraph (2)(A) for purposes of determining the inclusion on such distribution under section 72. Proper adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years.

''(E) SPECIAL RULES FOR SPLIT-INTEREST ENTITIES.—

''(i) CHARITABLE REMAINDER TRUSTS.—Notwithstanding section 664(b), distributions made from a trust described in subparagraph (G)(i) shall be treated as ordinary income in the hands of the beneficiary to whom is paid the annuity described in section 664(d)(1)(A) or the payment described in section 664(d)(2)(A).

''(ii) POOLED INCOME FUNDS.—No amount shall be includible in the gross income of a pooled income fund (as defined in subparagraph (G)(ii)) by reason of a qualified charitable distribution to such fund, and all distributions from the fund which are attributable to qualified charitable distributions shall be treated as ordinary income to the beneficiary.

''(iii) CHARITABLE GIFT ANNUITIES.—Qualified charitable distributions made for a charitable gift annuity shall not be treated as an investment in the contract.

''(F) DENIAL OF DEDUCTION.—Qualified charitable distributions shall not be taken into account in determining the deduction under section 170.

''(G) SPLIT-INTEREST ENTITY DEFINED.—For purposes of this paragraph, the term 'split-interest entity' means—

''(i) a charitable remainder annuity trust or a charitable remainder unitrust (as such terms are defined in section 664(d)) which must be funded exclusively by qualified charitable distributions,

''(ii) a pooled income fund (as defined in section 642(c)(5)), but only if the fund accounts separately for amounts attributable to qualified charitable distributions, and

''(iii) a charitable gift annuity (as defined in section 501(m)(5)).''.

(b) MODIFICATIONS RELATING TO INFORMATION RETURNS BY CERTAIN TRUSTS.—

(1) RETURNS.—Section 6034 (relating to returns by trusts described in section 4947(a)(2) or claiming charitable deductions under section 642(c)) is amended to read as follows:

''SEC. 6034. RETURNS BY TRUSTS DESCRIBED IN SECTION 4947(a)(2) OR CLAIMING CHARITABLE DEDUCTIONS UNDER SECTION 642(c).

''(a) TRUSTS DESCRIBED IN SECTION 4947(a)(2).—Every trust described in section 4947(a)(2) shall furnish such information with respect to the taxable year as the Secretary may by forms or regulations require.

''(b) TRUSTS CLAIMING A CHARITABLE DEDUCTION UNDER SECTION 642(c).—

''(1) IN GENERAL.—Every trust not required to file a return under subsection (a) but claiming a deduction under section 642(c) for the taxable year shall furnish such information with respect to such taxable year as the Secretary may by forms or regulations prescribe, including—

''(A) the amount of the deduction taken under section 642(c) within such year,

''(B) the amount paid out within such year which represents amounts for which deductions under section 642(c) have been taken in prior years,

''(C) the amount for which such deductions have been taken in prior years but which has not been paid out at the beginning of such year,

''(D) the amount paid out of principal in the current and prior years for the purposes described in section 642(c),

''(E) the total income of the trust within such year and the expenses attributable thereto, and

''(F) a balance sheet showing the assets, liabilities, and net worth of the trust as of the beginning of such year.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply to a trust for any taxable year if—

''(A) all the net income for such year, determined under the applicable principles of the law of trusts, is required to be distributed currently to the beneficiaries, or

''(B) the trust is described in section 4947(a)(1).''.

(2) INCREASE IN PENALTY RELATING TO FILING OF INFORMATION RETURN BY SPLIT-INTEREST TRUSTS.—Paragraph (2) of section 6652(c) (relating to returns by exempt organizations and by certain trusts) is amended by adding at the end the following new subparagraph:

''(C) SPLIT-INTEREST TRUSTS.—In the case of a trust which is required to file a return under section 6034(a), subparagraphs (A) and (B) of this paragraph shall not apply and paragraph (1) shall apply in the same manner as if such return were required under section 6033, except that—

''(i) the 5 percent limitation in the second sentence of paragraph (1)(A) shall not apply,

''(ii) in the case of any trust with gross income in excess of $250,000, the first sentence of paragraph (1)(A) shall be applied by substituting '$100' for '$20', and the second sentence thereof shall be applied by substituting '$50,000' for '$10,000', and

''(iii) the third sentence of paragraph (1)(A) shall be disregarded.

In addition to any penalty imposed on the trust pursuant to this subparagraph, if the person required to file such return knowingly fails to file the return, such penalty shall also be imposed on such person who shall be personally liable for such penalty.''.

(3) CONFIDENTIALITY OF NONCHARITABLE BENEFICIARIES.—Subsection (b) of section 6104 (relating to inspection of annual information returns) is amended by adding at the end the following new sentence: ''In the case of a trust which is required to file a return under section 6034(a), this subsection shall not apply to information regarding beneficiaries which are not organizations described in section 170(c).''.

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendment made by subsection (a) shall apply to distributions made after August 28, 2005.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to returns for taxable years beginning after December 31, 2004.

SEC. 303. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORIES.

(a) IN GENERAL.—Subsection (e) of section 170 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new paragraph:

''(7) APPLICATION OF PARAGRAPH (3) TO CERTAIN CONTRIBUTIONS OF FOOD INVENTORY.—For purposes of this section—

''(A) EXTENSION TO INDIVIDUALS.—In the case of a charitable contribution of apparently wholesome food—

''(i) paragraph (3)(A) shall be applied without regard to whether the contribution is made by a C corporation, and

''(ii) in the case of a taxpayer other than a C corporation, the aggregate amount of such contributions for any taxable year which may be taken into account under this section shall not exceed 10 percent of the taxpayer's net income for such taxable year from all trades or businesses from which such contributions were made for such taxable year, computed without regard to this section.

''(B) LIMITATION ON REDUCTION.—In the case of a charitable contribution of apparently wholesome food, notwithstanding paragraph (3)(B), the amount of the reduction determined under paragraph (1)(A) shall not exceed the amount by which the fair market value of such property exceeds twice the basis of such property.

''(C) DETERMINATION OF BASIS.—If a taxpayer—

''(i) does not account for inventories under section 471, and

''(ii) is not required to capitalize indirect costs under section 263A,

the taxpayer may elect, solely for purposes of paragraph (3)(B), to treat the basis of any apparently wholesome food as being equal to 25 percent of the fair market value of such food.

''(D) DETERMINATION OF FAIR MARKET VALUE.—In the case of a charitable contribution of apparently wholesome food which is a qualified contribution (within the meaning of paragraph (3), as modified by subparagraph (A) of this paragraph) and which, solely by reason of internal standards of the taxpayer or lack of market, cannot or will not be sold, the fair market value of such contribution shall be determined—

''(i) without regard to such internal standards or such lack of market and

''(ii) by taking into account the price at which the same or substantially the same food items (as to both type and quality) are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).

''(E) APPARENTLY WHOLESOME FOOD.—For purposes of this paragraph, the term 'apparently wholesome food' has the meaning given such term by section 22(b)(2) of the Bill Emerson Good Samaritan Food Donation Act (42 U.S.C. 1791(b)(2)), as in effect on the date of the enactment of this paragraph.

''(F) APPLICATION.—This paragraph shall apply to contributions made after August 28, 2005, and before January 1, 2006.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after August 28, 2005.

SEC. 304. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF BOOK INVENTORIES.

(a) IN GENERAL.—Section 170(e)(3) (relating to certain contributions of ordinary income and capital gain property) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

''(C) SPECIAL RULE FOR CONTRIBUTIONS OF BOOK INVENTORY FOR EDUCATIONAL PURPOSES.—

''(i) CONTRIBUTIONS OF BOOK INVENTORY.—In determining whether a qualified book contribution is a qualified contribution, subparagraph (A) shall be applied without regard to whether—

''(I) the donee is an organization described in the matter preceding clause (i) of subparagraph (A), and

''(II) the property is to be used by the donee solely for the care of the ill, the needy, or infants.

''(ii) AMOUNT OF REDUCTION.—Notwithstanding subparagraph (B), the amount of the reduction determined under paragraph (1)(A) shall not exceed the amount by which the fair market value of the contributed property (as determined by the taxpayer using a bona fide published market price for such book) exceeds twice the basis of such property.

''(iii) QUALIFIED BOOK CONTRIBUTION.—For purposes of this paragraph, the term 'qualified book contribution' means a charitable contribution of books, but only if the requirements of clauses (iv) and (v) are met.

''(iv) IDENTITY OF DONEE.—The requirement of this clause is met if the contribution is to an organization—

''(I) described in subclause (I) or (III) of paragraph (6)(B)(i), or

''(II) described in section 501(c)(3) and exempt from tax under section 501(a) (other than a private foundation, as defined in section 509(a), which is not an operating foundation, as defined in section 4942(j)(3)), which is organized primarily to make books available to the general public at no cost or to operate a literacy program.

''(v) CERTIFICATION BY DONEE.—The requirement of this clause is met if, in addition to the certifications required by subparagraph (A) (as modified by this subparagraph), the donee certifies in writing that—

''(I) the books are suitable, in terms of currency, content, and quantity, for use in the donee's educational programs, and

''(II) the donee will use the books in its educational programs.

''(vi) BONA FIDE PUBLISHED MARKET PRICE.—For purposes of this subparagraph, the term 'bona fide published market price' means, with respect to any book, a price—

''(I) determined using the same printing and edition,

''(II) determined in the usual market in which such a book has been customarily sold by the taxpayer, and

''(III) for which the taxpayer can demonstrate to the satisfaction of the Secretary that the taxpayer customarily sold such books in arm's length transactions within 7 years preceding the contribution of such a book.

''(vii) APPLICATION.—This subparagraph shall apply to contributions made after August 28, 2005, and before January 1, 2006.''.

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

SEC. 305. ADDITIONAL PERSONAL EXEMPTION AMOUNT FOR HURRICANE KATRINA HOUSEGUEST.

(a) IN GENERAL.—In the case of the a taxpayer's taxable year beginning in 2005, the amount allowed as a deduction in computing taxable income of the taxpayer under section 151 of the Internal Revenue Code of 1986 shall be increased by the lesser of—

(1) the product of—

(A) $500, and

(B) the number of Hurricane Katrina houseguests of the taxpayer, or

(2) $2,000.

(b) HURRICANE KATRINA HOUSEGUEST.—For purposes of this section, the term ''Hurricane Katrina houseguest'' means any individual—

(1) who would not otherwise qualify for an exemption amount with respect to the taxpayer for the taxable year,

(2) whose principal place of abode in a Hurricane Katrina disaster area was rendered uninhabitable after August 28, 2005, and

(3) is provided shelter for not less than 60 days after August 28, 2005, and before January 1, 2006, by the taxpayer in the taxpayer's principal place of abode.

(c) LIMITATION.—No deduction shall be allowed under this section if the taxpayer receives any rent or other amount (from any source) in connection with the providing of such shelter.

SEC. 306. INCREASE IN STANDARD MILEAGE RATE FOR CHARITABLE USE OF PASSENGER AUTOMOBILE.

Notwithstanding section 170(i) of the Internal Revenue Code of 1986, for purposes of computing the deduction under section 170 of such Code for use of a passenger automobile for the period beginning on August 29, 2005, and ending before January 1, 2006, the standard mileage rate shall be 60 percent of the standard mileage rate in effect under section 162(a) of such Code at the time of such use. Any increase under this section shall be rounded to the next highest cent.

TITLE IV—ADDITIONAL TAX RELIEF PROVISIONS

SEC. 401. EXCLUSIONS OF CERTAIN CANCELLATIONS OF INDEBTEDNESS FOR VICTIMS OF HURRICANE KATRINA.

(a) IN GENERAL.—For purposes of the Internal Revenue Code of 1986, gross income shall not include any amount which (but for this section) would be includible in gross income

by reason of the discharge (in whole or in part) of indebtedness of a natural person by an applicable entity (as defined in section 6050P(c)(1)) if the discharge is by reason of the damage sustained by the taxpayer in connection with Hurricane Katrina.

(b) EXCEPTION.—Subsection (a) shall not apply to any indebtedness incurred in connection with a trade or business.

(c) 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 such Code.

(d) EFFECTIVE DATE.—This section shall apply to discharges made on or after August 29, 2005, and before January 1, 2007.

SEC. 402. MODIFICATION TO CASUALTY LOSS RULES FOR VICTIMS OF HURRICANE KATRINA.

In the case of an individual with a personal casualty loss which arises in connection with Hurricane Katrina—

(1) section 165(h)(2)(A) of the Internal Revenue Code of 1986 shall not apply, and

(2) in applying such section to other personal casualty losses during the taxable year, losses to which this section applies shall be disregarded.

SEC. 403. REQUIRED EXERCISE OF AUTHORITY UNDER SECTION 7508A FOR TAX RELIEF FOR VICTIMS OF HURRICANE KATRINA.

(a) AUTHORITY INCLUDES SUSPENSION OF PAYMENT OF EMPLOYMENT AND EXCISE TAXES.—Subparagraphs (A) and (B) of section 7508(a)(1) are amended to read as follows:

''(A) Filing any return of income, estate, gift, employment, or excise tax;

''(B) Payment of any income, estate, gift, employment, or excise tax or any installment thereof or of any other liability to the United States in respect thereof;''.

(b) APPLICATION TO VICTIMS OF HURRICANE KATRINA.—In the case of any taxpayer determined by the Secretary of the Treasury to be affected by the Presidentially declared disaster relating to Hurricane Katrina, any relief provided by the Secretary of the Treasury under section 7508A of the Internal Revenue Code of 1986 shall be for a period ending not earlier than February 28, 2006, and shall be treated as applying to the filing of returns relating to, and the payment of, employment and excise taxes.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply for any period for performing an act which has not expired before August 29, 2005.

SEC. 404. SPECIAL MORTGAGE FINANCING RULES FOR RESIDENCES LOCATED IN HURRICANE KATRINA DISASTER AREA.

In the case of a residence located in a Hurricane Katrina disaster area, section 143 of the Internal Revenue Code of 1986 shall be applied with the following modifications to financing provided with respect to such residence within 3 years after the date of the disaster declaration:

(1) Subsections (d), (e) and (f) of such section 143 shall be applied as if such residence were a targeted area residence.

(2) Subsection (f)(3) of such section 143 shall be applied without regard to subparagraph (A) thereof.

(3) The limitation under subsection (k)(4) of such section 143 shall be increased (but not above $150,000) to the extent the qualified home-improvement loan is for the repair of damage caused by Hurricane Katrina.

This section shall apply only with respect to bonds issued after August 28, 2005, and before August 29, 2008.

SEC. 405. EXTENSION OF REPLACEMENT PERIOD FOR NONRECOGNITION OF GAIN FOR PROPERTY LOCATED IN HURRICANE KATRINA DISASTER AREA.

Notwithstanding subsections (g) and (h) of section 1033 of the Internal Revenue Code of 1986, clause (i) of section 1033(a)(2)(B) of such Code shall be applied by substituting ''5 years'' for ''2 years'' with respect to property which is compulsorily or involuntarily converted as a result of Hurricane Katrina in a Hurricane Katrina disaster area, but only if substantially all of the use of the replacement property is in such area.

SEC. 406. 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. 407. 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 the Secretary's delegate may make such adjustments in the application of the internal revenue laws as may be necessary to ensure that taxpayers do not lose any deduction or credit 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.

TITLE V—ADDITIONAL PROVISIONS

SEC. 501. DISCLOSURE TO STATE OFFICIALS OF PROPOSED ACTIONS RELATED TO EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Subsection (c) of section 6104 is amended by striking paragraph (2) and inserting the following new paragraphs:

''(2) DISCLOSURE OF PROPOSED ACTIONS RELATED TO CHARITABLE ORGANIZATIONS.—

''(A) SPECIFIC NOTIFICATIONS.—In the case of an organization to which paragraph (1) applies, the Secretary may disclose to the appropriate State officer—

''(i) a notice of proposed refusal to recognize such organization as an organization described in section 501(c)(3) or a notice of proposed revocation of such organization's recognition as an organization exempt from taxation,

''(ii) the issuance of a letter of proposed deficiency of tax imposed under section 507 or chapter 41 or 42, and

''(iii) the names, addresses, and taxpayer identification numbers of organizations which have applied for recognition as organizations described in section 501(c)(3).

''(B) ADDITIONAL DISCLOSURES.—Returns and return information of organizations with respect to which information is disclosed under subparagraph (A) may be made available for inspection by or disclosed to an appropriate State officer.

''(C) PROCEDURES FOR DISCLOSURE.—Information may be inspected or disclosed under subparagraph (A) or (B) only—

''(i) upon written request by an appropriate State officer, and

''(ii) for the purpose of, and only to the extent necessary in, the administration of State laws regulating such organizations.

Such information may only be inspected by or disclosed to a person other than the appropriate State officer if such person is an officer or employee of the State and is designated by the appropriate State officer to receive the returns or return information under this paragraph on behalf of the appropriate State officer.

''(D) DISCLOSURES OTHER THAN BY REQUEST.—The Secretary may make available for inspection or disclose returns and return information of an organization to which paragraph (1) applies to an appropriate State officer of any State if the Secretary determines that such inspection or disclosure may facilitate the resolution of Federal or State issues relating to the tax-exempt status of such organization.

''(3) DISCLOSURE WITH RESPECT TO CERTAIN OTHER EXEMPT ORGANIZATIONS.—Upon written request by an appropriate State officer, the Secretary may make available for inspection or disclosure returns and return information of an organization described in paragraph (2), (4), (6), (7), (8), (10), or (13) of section 501(c) for the purpose of, and to the extent necessary in, the administration of State laws regulating the solicitation or administration of the charitable funds or charitable assets of such organizations. Such information may only be inspected by or disclosed to a person other than the appropriate State officer if such person is an officer or employee of the State and is designated by the appropriate State officer to receive the returns or return information under this paragraph on behalf of the appropriate State officer.

''(4) USE IN CIVIL JUDICIAL AND ADMINISTRATIVE PROCEEDINGS.—Returns and return information disclosed pursuant to this subsection may be disclosed in civil administrative and civil judicial proceedings pertaining to the enforcement of State laws regulating such organizations in a manner prescribed by the Secretary similar to that for tax administration proceedings under section 6103(h)(4).

''(5) NO DISCLOSURE IF IMPAIRMENT.—Returns and return information shall not be disclosed under this subsection, or in any proceeding described in paragraph (4), to the extent that the Secretary determines that such disclosure would seriously impair Federal tax administration.

''(6) DEFINITIONS.—For purposes of this subsection—

''(A) RETURN AND RETURN INFORMATION.—The terms 'return' and 'return information' have the respective meanings given to such terms by section 6103(b).

''(B) APPROPRIATE STATE OFFICER.—The term 'appropriate State officer' means—

''(i) the State attorney general,

''(ii) the State tax officer,

''(iii) in the case of an organization to which paragraph (1) applies, any other State official charged with overseeing organizations of the type described in section 501(c)(3), and

''(iv) in the case of an organization to which paragraph (3) applies, the head of an agency designated by the State attorney general as having primary responsibility for overseeing the solicitation of funds for charitable purposes.''.

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (A) of section 6103(p)(3) is amended by inserting ''and section 6104(c)'' after ''section'' in the first sentence.

(2) Paragraph (4) of section 6103(p) is amended—

(A) in the matter preceding subparagraph (A), by inserting '', or any appropriate State officer (as defined in section 6104(c)),'' before ''or any other person'',

(B) in subparagraph (F)(i), by inserting ''or any appropriate State officer (as defined in section 6104(c)),'' before ''or any other person'', and

(C) in the matter following subparagraph (F), by inserting '', an appropriate State officer (as defined in section 6104(c)),'' after ''including an agency'' each place it appears.

(3) The heading for paragraph (1) of section 6104(c) is amended by inserting ''FOR CHARITABLE ORGANIZATIONS'' after ''RULE''.

(4) Paragraph (2) of section 7213(a) is amended by inserting ''or under section 6104(c)'' after ''6103''.

(5) Paragraph (2) of section 7213A(a) is amended by inserting ''or 6104(c)'' after ''6103''.

(6) Paragraph (2) of section 7431(a) is amended by inserting ''(including any disclosure in violation of section 6104(c))'' after ''6103''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act but shall not apply to requests made before such date.

SEC. 502. DEDICATION AND USE OF CERTAIN FEES.

Notwithstanding section 202(c) of Public Law 108–89, the Secretary of the Treasury may retain and use fees from employee plan and exempt organization letter rulings and determination letters charged under section 7528 of the Internal Revenue Code of 1986—

(1) in fiscal years 2005 and 2006—

(A) for the administration of the provisions of, and amendments made by, this Act,

(B) to provide taxpayer assistance to any taxpayer determined by the Secretary of the Treasury to be affected by the Presidentially declared disaster relating to Hurricane Katrina, and

(C) to aid the Internal Revenue Service in repairing, rebuilding, and recovering from the damage to Internal Revenue Service offices, equipment, and support caused by Hurricane Katrina, and

(2) in any fiscal year after 2006—

(A) on oversight, enforcement, and administration by the Tax-Exempt and Government Entities Division of the Internal Revenue Service, and

(B) on oversight, enforcement, and administration of section 170 of such Code.

SA 1723. Mr. GRASSLEY (for Mr. BOND (for himself and Mrs. MURRAY)) proposed an amendment to the bill H.R. 3649, to ensure funding for sportfishing and boating safety programs funded out of the Highway Trust Fund through the end of fiscal year 2005, and for other purposes; as follows:

SEC. . CORRECTION OF DISTRIBUTION OF OBLIGATION AUTHORITY UNDER SECTION 1102(c)(4)(A) OF PUBLIC LAW 109–59.

Notwithstanding section 1102(c)(4)(A) of Public Law 109–59; 119 Stat. 1144, et seq., or any other provision of law, for fiscal year 2005, obligation authority for funds made available under title I of division H of Public Law 108–447; 118 Stat. 3216 for expenses necessary to discharge the functions of the Secretary of Transportation with respect to traffic and highway safety under chapter 301 of title 49, United States Code, and part C of subtitle VI of title 49, United States Code, shall be made available in an amount equal to the funds provided therein: *Provided*, That the additional obligation authority needed to meet the requirements of this section shall be withdrawn from the obligation authority previously distributed to the other programs, projects, and activities funded by the amount deducted under section 117 of title I of division H of Public Law 108–447.

SA 1724. Mr. KERRY (for himself and Ms. LANDRIEU) proposed an amendment to the bill H.R. 2862, An Act making appropriations for the Departments of Commerce and Justice, Science, and related agencies, for the fiscal year ending September 30, 2006, and for other purposes; as follows:

At the end of title V, add the following:

SEC. 5____. SMALL BUSINESS FEES.

(a) FEES.—Section 7(a)(23) of the Small Business Act (15 U.S.C. 636(a)(23)) is amended by striking subparagraph (C) and inserting the following:

''(C) LOWERING OF FEES.—

''(i) IN GENERAL.—Subject to clauses (ii) and (iii)—

''(I) the Administrator shall reduce fees paid by small business borrowers and lenders under clauses (i) through (iv) of paragraph (18)(A) and subparagraph (A) of this paragraph; and

''(II) fees paid by small business borrowers and lenders shall not be increased above the levels in effect on the date of enactment of the Consolidated Appropriations Act, 2005.

''(ii) DETERMINATIONS.—A reduction in fees under clause (i) shall occur in any case in which the fees paid by all small business borrowers and by lenders for guarantees under this subsection, or the sum of such fees plus any amount appropriated to carry out this subsection, as applicable, is more than the amount necessary to equal the cost to the Administration of making such guarantees.''.

SA 1725. Mr. SHELBY (for Mr. REID) proposed an amendment to the bill H.R. 2862, An Act making appropriations for the Departments of Commerce and Justice, Science, and related agencies for the fiscal year ending September 30, 2006, and for other purposes; as follows:

On page 121, line 19, after the semicolon insert ''of which not less than $1,200,000 shall be for the Federal Bureau of Investigation for processing of background checks for petitions and applications pending before U.S. Citizenship and Immigration Services;''.

SA 1726. Mr. BENNETT (for himself and Mr. KOHL) proposed an amendment to the bill H.R. 2744, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for the fiscal year ending September 30, 2006, and for other purposes; as follows:

On Page 154, line 20, after ''Iowa,'', insert the following:

''the Steeple Run and West Branch DuPage River Watershed projects in DuPage County, Illinois,''

On page 167, line 22, strike ''(a)'' through and including ''required fee.'' on page 170, line 11, and insert the following:

''The Rural Electrification Act of 1936 is amended by inserting after section 315 (7 U.S.C. 940e) the following:

''SEC. 316. EXTENSION OF PERIOD OF EXISTING GUARANTEE.

''(a) IN GENERAL.—Subject to the limitations in this section and the provisions of the Federal Credit Reform Act of 1990, as amended, a borrower of a loan made by the Federal Financing Bank and guaranteed under this Act may request an extension of the final maturity of the outstanding principal balance of such loan or any loan advance thereunder. If the Secretary and the Federal Financing Bank approve such an extension, then the period of the existing guarantee shall also be considered extended.

''(b) LIMITATIONS.—

''(1) FEASIBILITY AND SECURITY.—Extensions under this section shall not be made unless the Secretary first finds and certifies that, after giving effect to the extension, in his judgment the security for all loans to the borrower made or guaranteed under this Act is reasonably adequate and that all such loans will be repaid within the time agreed.

''(2) EXTENSION OF USEFUL LIFE OF COLLATERAL.—Extensions under this section shall not be granted unless the borrower first submits with its request either—

''(A) evidence satisfactory to the Secretary that a Federal or State agency with jurisdiction and expertise has made an official determination, such as through a licensing proceeding, extending the useful life of a generating plant or transmission line pledged as collateral to or beyond the new final maturity date being requested by the borrower, or

''(B) a certificate from an independent licensed engineer concluding, on the basis of a thorough engineering analysis satisfactory to the Secretary, that the useful life of the generating plant or transmission line pledged as collateral extends to or beyond the new final maturity date being requested by the borrower.

''(3) AMOUNT ELIGIBLE FOR EXTENSION.—Extensions under this section shall not be granted if the principal balance extended exceeds the appraised value of the generating plant or transmission line referred to in subsection paragraph (2).

''(4) PERIOD OF EXTENSION.—Extensions under this section shall in no case result in a final maturity greater than 55 years from the time of original disbursement and shall in no case result in a final maturity greater than the useful life of the plant.

''(5) NUMBER OF EXTENSIONS.—Extensions under this section shall not be granted more than once per loan advance.

''(c) FEES.—

''(1) IN GENERAL.—A borrower that receives an extension under this section shall pay a fee to the Secretary which shall be credited

to the Rural Electrification and Telecommunications Loans Program account. Such fees shall remain available without fiscal year limitation to pay the modification costs for extensions.

''(2) AMOUNT.—The amount of the fee paid shall be equal to the modification cost, calculated in accordance with section 502 of the Federal Credit Reform Act of 1990, as amended, of such extension.

''(3) PAYMENT.—The borrower shall pay the fee required under this section at the time the existing guarantee is extended by making a payment in the amount of the required fee.''.

SA 1727. Ms. MURKOWSKI submitted an amendment intended to be proposed by her to the bill S. 1195, to provide the necessary authority to the Secretary of Commerce for the establishment and implementation of a regulatory system for offshore aquaculture in the United States Exclusive Economic Zone, and for other purposes; which was referred to the Committee on Commerce, Science, and Transportation; as follows:

On page 20, between lines 13 and 14, insert the following:

(j) PROHIBITION ON PERMITS FOR AQUACULTURE.—

(1) DEFINITIONS.—In this subsection:

(A) AGENCY WITH JURISDICTION TO REGULATE AQUACULTURE.—The term 'agency with jurisdiction to regulate aquaculture' means—

(i) the Department of Agriculture;

(ii) the Coast Guard;

(iii) the Department of Commerce;

(iv) the Environmental Protection Agency;

(v) the Department of the Interior; and

(vi) the Corps of Engineers.

(B) REGIONAL FISHERY MANAGEMENT COUNCIL.—The term 'regional fishery management council' means a regional fishery management council established under section 302(a) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1852(a)).

(2) PROHIBITION.—The head of an agency with jurisdiction to regulate aquaculture may not issue a permit or license to permit an aquaculture facility located in the exclusive economic zone to operate until after the date on which a bill is enacted into law that—

(A) sets out the type and specificity of the analyses that the head of the agency with jurisdiction to regulate aquaculture shall carry out prior to issuing any such permit or license, including analyses relating to—

(i) disease control;

(ii) structural engineering;

(iii) pollution;

(iv) biological and genetic impacts;

(v) access and transportation;

(vi) food safety; and

(vii) social and economic impacts of the aquaculture facility on other marine activities, including commercial and recreational fishing; and

(B) requires that a decision to issue such a permit or license be—

(i) made only after the head of the agency that issues the license or permit consults with the Governor of each State located within a 200-mile radius of the aquaculture facility; and

(ii) approved by the regional fishery management council that is granted authority under title III of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1851 et seq.) over a fishery in the region in which the aquaculture facility will be located.

SA 1728. Mr. FRIST (for Mr. GRASSLEY (for himself and Mr. BAUCUS)) proposed an amendment to the bill H.R. 3768, to provide emergency tax relief for persons affected by Hurricane Katrina; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Hurricane Katrina Tax Relief Act of 2005''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

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

Sec. 1. Short title; amendment of 1986 Code; table of contents.
Sec. 2. Hurricane Katrina disaster area.
TITLE I—PENALTY FREE USE OF RETIREMENT FUNDS IN THE CASE OF NATURAL DISASTERS
Sec. 101. Penalty free withdrawals from retirement plans for victims of federally declared natural disasters.
Sec. 102. Income averaging for disaster-relief distributions related to Hurricane Katrina.
Sec. 103. Recontributions of withdrawals for home purchases cancelled due to Hurricane Katrina.
Sec. 104. Loans from qualified plans to victims of Hurricane Katrina.
Sec. 105. Provisions relating to plan amendments.
TITLE II—EMPLOYMENT RELIEF
Sec. 201. Work opportunity tax credit for Hurricane Katrina employee survivors.
Sec. 202. Employee retention credit for employers affected by Hurricane Katrina.
TITLE III—CHARITABLE GIVING INCENTIVES
Sec. 301. Temporary suspension of limitations on charitable contributions.
Sec. 302. Charitable deduction for contributions of food inventories.
Sec. 303. Charitable deduction for contributions of book inventories.
Sec. 304. Additional exemption for housing Hurricane Katrina displaced individuals.
Sec. 305. Increase in standard mileage rate for charitable use of passenger automobile.
Sec. 306. Mileage reimbursements to charitable volunteers excluded from gross income.
TITLE IV—ADDITIONAL TAX RELIEF PROVISIONS
Sec. 401. Exclusions of certain cancellations of indebtedness for victims of Hurricane Katrina.
Sec. 402. Suspension of certain limitations on personal casualty losses.
Sec. 403. Required exercise of authority under section 7508A for tax relief for victims of Hurricane Katrina.
Sec. 404. Special mortgage financing rules for residences located in Hurricane Katrina disaster area.
Sec. 405. Extension of replacement period for nonrecognition of gain for property located in Hurricane Katrina disaster area.
Sec. 406. Special rule for determining earned income.
Sec. 407. Secretarial authority to make adjustments regarding taxpayer and dependency status.
TITLE V—EMERGENCY REQUIREMENT
Sec. 501. Emergency requirement.

SEC. 2. HURRICANE KATRINA DISASTER AREA.

For purposes of this Act, the term ''Hurricane Katrina disaster area'' means an area—

(1) with respect to which a major disaster has been declared by the President before September 14, 2005, under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act in connection with Hurricane Katrina, and

(2) which—

(A) except as provided in subparagraph (B), is determined by the President before such date to warrant assistance from the Federal Government under such Act, and

(B) in the case of sections 201 and 202, is determined by the President before such date to warrant individual assistance, or individual and public assistance, from the Federal Government under such Act.

TITLE I—PENALTY FREE USE OF RETIREMENT FUNDS IN THE CASE OF NATURAL DISASTERS

SEC. 101. PENALTY FREE WITHDRAWALS FROM RETIREMENT PLANS FOR VICTIMS OF FEDERALLY DECLARED NATURAL DISASTERS.

(a) IN GENERAL.—Paragraph (2) of section 72(t) (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 TO VICTIMS OF FEDERALLY DECLARED NATURAL DISASTERS.—

''(i) DISTRIBUTION ALLOWED.—Any qualified disaster-relief distribution.

''(ii) 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), 408(d)(3), or 457(e)(16), 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.

''(iii) QUALIFIED DISASTER-RELIEF DISTRIBUTION.—Except as provided in clause (iv), 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 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.

''(iv) DOLLAR LIMITATION.—

''(I) IN GENERAL.—The term 'qualified disaster-relief distribution' shall not include any distributions for any taxable year to the extent the aggregate amount of such distributions exceeds $100,000, reduced by the aggregate amounts treated as qualified disaster-relief distributions with respect to such individual for all prior taxable years.

''(II) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual with respect to any such major disaster would (without regard to subclause (I)) be a qualified disaster-relief distribution, a plan shall not be treated as violating any requirement of this title merely because it treats such distribution as a qualified disaster-relief distribution, unless the aggregate amount of such distributions from all plans maintained by the employer (and any member of any controlled group which includes the employer) to such individual exceeds $100,000.

''(v) QUALIFIED DISASTER AREA.—For purposes of this subparagraph, the term 'qualified disaster area' means an area—

''(I) with respect to which a major disaster has been declared by the President before September 14, 2005, under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act in connection with Hurricane Katrina, and

''(II) which is determined by the President before such date to warrant assistance from the Federal Government under such Act.''.

(b) EXEMPTION OF DISTRIBUTIONS FROM TRUSTEE TO TRUSTEE TRANSFER AND WITHHOLDING RULES.—Paragraph (4) of section 402(c) (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) 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) is amended by inserting ''sustains 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 (but only to the extent provided in section 72(t)(2)(G)),'' before ''or''.

(3) Section 403(b)(11) 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.''.

(4) Section 457(d)(1)(A) is amended by striking ''or'' at the end of clause (ii), by adding ''or'' at the end of clause (iii), and by adding at the end the following new clause:

''(iv) in the case of an eligible deferred compensation plan established and maintained by an employer described in subsection (e)(1)(A), when the participant sustains 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 (but only to the extent provided in section 72(t)(2)(G)),''.

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

SEC. 102. 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) in connection with Hurricane Katrina and who has a principal place of abode immediately before the declaration in a Hurricane Katrina disaster area.

SEC. 103. 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), or 408(d)(3) 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) (but only to the extent such distribution relates to financial hardship), 403(b)(11)(B), 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.

SEC. 104. LOANS FROM QUALIFIED PLANS TO VICTIMS OF 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 102(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 103(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 102(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. 105. PROVISIONS RELATING TO PLAN AMENDMENTS.

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

(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 II—EMPLOYMENT RELIEF

SEC. 201. WORK OPPORTUNITY TAX CREDIT FOR HURRICANE KATRINA EMPLOYEE SURVIVORS.

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

(b) HURRICANE KATRINA EMPLOYEE SURVIVOR.—For purposes of this section, the term ''Hurricane Katrina employee survivor'' means any individual who is certified as an individual who—

(1) on August 28, 2005, had a principal place of abode in a Hurricane Katrina disaster area, and

(2) became unemployed as a result of Hurricane Katrina.

(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 survivor—

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

(2) notwithstanding section 51(d)(12) of such Code, the certification under subsection (b) shall be made in such manner and at such time as determined by the Secretary of the Treasury, except that the certification shall be made by a person other than the such employee survivor or the employer (within the meaning of section 51 of such Code), and

(3) section 51(i)(2) of such Code shall not apply with respect to the first hire of such employee survivor, unless such employee survivor was an employee of the employer on August 28, 2005.

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

(1) for an employer during the 6-month period beginning on August 29, 2005, or

(2) in the case of an individual who is being hired for a position the principal place of employment of which is located in a Hurricane Katrina disaster area, for any employer during the 2-year period beginning on such date.

SEC. 202. EMPLOYEE RETENTION CREDIT FOR EMPLOYERS AFFECTED BY HURRICANE KATRINA.

(a) IN GENERAL.—In the case of an eligible employer, there shall be allowed as a credit against the tax imposed by chapter 1 of the Internal Revenue Code of 1986 for the taxable year an amount equal to 40 percent of the qualified wages with respect to each eligible employee of such employer for such taxable year. For purposes of the preceding sentence, the amount of qualified wages which may be taken into account with respect to any individual shall not exceed $6,000.

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

(1) ELIGIBLE EMPLOYER.—The term ''eligible employer'' means any employer—

(A) which conducted an active trade or business on August 28, 2005, in a Hurricane Katrina disaster area, and

(B) with respect to whom the trade or business described in subparagraph (A) is inoperable on any day after August 28, 2005, and before January 1, 2006, as a result of damage sustained in connection with Hurricane Katrina.

(2) ELIGIBLE EMPLOYEE.—The term ''eligible employee'' means with respect to an eligible employer—

(A) an employee whose principal place of employment on August 28, 2005, with such eligible employer was in a Hurricane Katrina disaster area, or

(B) a Ready Reserve-National Guard employee of such eligible employer who is performing qualified active duty and whose principal place of employment immediately before the date on which such employee began performing such qualified active duty was in a Hurricane Katrina disaster area.

(3) QUALIFIED WAGES.—The term ''qualified wages'' means wages (as defined in section 51(c)(1) of the Internal Revenue Code of 1986, but without regard to section 3306(b)(2)(B) of such Code) paid or incurred by an eligible employer with respect to an eligible employee on any day after August 28, 2005, and before January 1, 2006, which occurs during the period—

(A) beginning on the date on which the trade or business described in paragraph (1) first became inoperable at the principal place of employment of the employee immediately before Hurricane Katrina, and

(B) ending on the date on which such trade or business has resumed significant operations at such principal place of employment.

Such term shall include wages paid without regard to whether the employee performs no services, performs services at a different place of employment than such principal place of employment, or performs services at such principal place of employment before significant operations have resumed.

(4) READY RESERVE-NATIONAL GUARD EMPLOYEE.—The term ''Ready Reserve-National Guard employee'' means an employee who is a member of the Ready Reserve of a reserve component of an Armed Force of the United States as described in section 10142 and 10101 of title 10, United States Code and who is performing qualified active duty.

(5) QUALIFIED ACTIVE DUTY.—The term ''qualified active duty'' means—

(A) active duty, other than the training duty specified in section 10147 of title 10, United States Code (relating to training requirements for Ready Reserve), or section 502(a) of title 32, United States Code (relating to required drills and field exercises for the National Guard), in connection with which an employee is entitled to reemployment rights and other benefits or to a leave of absence from employment under chapter 43 of title 38, United States Code, and

(B) hospitalization incident to such duty.

(c) CERTAIN RULES TO APPLY.—For purposes of this section, rules similar to the rules of sections 51(i)(1), 52, and 280C(a) of the Internal Revenue Code of 1986 of the shall apply.

(d) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—The credit allowed under this section shall be added to the current year business credit under section 38(b) of the Internal Revenue Code of 1986 and shall be treated as a credit allowed under subpart D of part IV of subchapter A of chapter 1 of such Code.

TITLE III—CHARITABLE GIVING INCENTIVES

SEC. 301. TEMPORARY SUSPENSION OF LIMITATIONS ON CHARITABLE CONTRIBUTIONS.

(a) IN GENERAL.—Except as otherwise provided in subsection (b), section 170(b) of the Internal Revenue Code of 1986 shall not apply to qualified contributions and such 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 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 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 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 contributions made during the taxable year shall not be treated as an itemized deduction for purposes of section 68 of such Code.

(d) QUALIFIED CONTRIBUTIONS.—For purposes of this section, the term ''qualified 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), 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.

For purposes of subsection (b)(2), a contribution shall be treated as a qualified contribution only if the contribution is for relief efforts related to Hurricane Katrina.

SEC. 302. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORIES.

(a) IN GENERAL.—Subsection (e) of section 170 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new paragraph:

''(7) APPLICATION OF PARAGRAPH (3) TO CERTAIN CONTRIBUTIONS OF FOOD INVENTORY.—For purposes of this section—

''(A) EXTENSION TO INDIVIDUALS.—In the case of a charitable contribution of apparently wholesome food—

''(i) paragraph (3)(A) shall be applied without regard to whether the contribution is made by a C corporation, and

''(ii) in the case of a taxpayer other than a C corporation, the aggregate amount of such contributions for any taxable year which may be taken into account under this section shall not exceed 10 percent of the taxpayer's net income for such taxable year from all trades or businesses from which such contributions were made for such taxable year, computed without regard to this section.

''(B) LIMITATION ON REDUCTION.—In the case of a charitable contribution of apparently wholesome food, notwithstanding paragraph (3)(B), the amount of the reduction determined under paragraph (1)(A) shall not exceed the amount by which the fair market value of such property exceeds twice the basis of such property.

''(C) DETERMINATION OF BASIS.—If a taxpayer—

''(i) does not account for inventories under section 471, and

''(ii) is not required to capitalize indirect costs under section 263A,

the taxpayer may elect, solely for purposes of paragraph (3)(B), to treat the basis of any apparently wholesome food as being equal to 25 percent of the fair market value of such food.

''(D) DETERMINATION OF FAIR MARKET VALUE.—In the case of a charitable contribution of apparently wholesome food which is a qualified contribution (within the meaning of paragraph (3), as modified by subparagraph (A) of this paragraph) and which, solely by reason of internal standards of the taxpayer or lack of market, cannot or will not be sold, the fair market value of such contribution shall be determined—

''(i) without regard to such internal standards or such lack of market and

''(ii) by taking into account the price at which the same or substantially the same food items (as to both type and quality) are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).

''(E) APPARENTLY WHOLESOME FOOD.—For purposes of this paragraph, the term 'apparently wholesome food' has the meaning given such term by section 22(b)(2) of the Bill Emerson Good Samaritan Food Donation Act (42 U.S.C. 1791(b)(2)), as in effect on the date of the enactment of this paragraph.

''(F) APPLICATION.—This paragraph shall apply to contributions made after August 28, 2005, and before January 1, 2006.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after August 28, 2005.

SEC. 303. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF BOOK INVENTORIES.

(a) IN GENERAL.—Section 170(e)(3) (relating to certain contributions of ordinary income and capital gain property) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

''(C) SPECIAL RULE FOR CONTRIBUTIONS OF BOOK INVENTORY FOR EDUCATIONAL PURPOSES.—

''(i) CONTRIBUTIONS OF BOOK INVENTORY.—In determining whether a qualified book contribution is a qualified contribution, subparagraph (A) shall be applied without regard to whether—

''(I) the donee is an organization described in the matter preceding clause (i) of subparagraph (A), and

''(II) the property is to be used by the donee solely for the care of the ill, the needy, or infants.

''(ii) AMOUNT OF REDUCTION.—Notwithstanding subparagraph (B), the amount of the reduction determined under paragraph (1)(A) shall not exceed the amount by which the fair market value of the contributed property (as determined by the taxpayer using a bona fide published market price for such book) exceeds twice the basis of such property.

''(iii) QUALIFIED BOOK CONTRIBUTION.—For purposes of this paragraph, the term 'qualified book contribution' means a charitable contribution of books, but only if the requirements of clauses (iv) and (v) are met.

''(iv) IDENTITY OF DONEE.—The requirement of this clause is met if the contribution is to an organization—

''(I) described in subclause (I) or (III) of paragraph (6)(B)(i), or

''(II) described in section 501(c)(3) and exempt from tax under section 501(a) (other than a private foundation, as defined in section 509(a), which is not an operating foundation, as defined in section 4942(j)(3)), which is organized primarily to make books available to the general public at no cost or to operate a literacy program.

''(v) CERTIFICATION BY DONEE.—The requirement of this clause is met if, in addition to the certifications required by subparagraph (A) (as modified by this subparagraph), the donee certifies in writing that—

''(I) the books are suitable, in terms of currency, content, and quantity, for use in the donee's educational programs, and

''(II) the donee will use the books in its educational programs.

''(vi) BONA FIDE PUBLISHED MARKET PRICE.—For purposes of this subparagraph, the term 'bona fide published market price' means, with respect to any book, a price—

''(I) determined using the same printing and edition,

''(II) determined in the usual market in which such a book has been customarily sold by the taxpayer, and

''(III) for which the taxpayer can demonstrate to the satisfaction of the Secretary that the taxpayer customarily sold such books in arm's length transactions within 7 years preceding the contribution of such a book.

''(vii) APPLICATION.—This subparagraph shall apply to contributions made after August 28, 2005, and before January 1, 2006.''.

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

SEC. 304. 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 Hurricane Katrina disaster area,

(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. 305. INCREASE IN STANDARD MILEAGE RATE FOR CHARITABLE USE OF PASSENGER AUTOMOBILE.

Notwithstanding section 170(i) of the Internal Revenue Code of 1986, for purposes of computing the deduction under section 170 of such Code for use of a vehicle described in subsection (f)(12)(E)(i) for provision of relief related to Hurricane Katrina for the period beginning on August 29, 2005, and ending before January 1, 2007, the standard mileage rate shall be 70 percent of the standard mileage rate in effect under section 162(a) of such Code at the time of such use. Any increase under this section shall be rounded to the next highest cent.

SEC. 306. MILEAGE REIMBURSEMENTS TO CHARITABLE VOLUNTEERS EXCLUDED FROM GROSS INCOME.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 is amended by inserting after section 139A the following new section:

''SEC. 139B. MILEAGE REIMBURSEMENTS TO CHARITABLE VOLUNTEERS.

''(a) IN GENERAL.—Gross income of an individual does not include amounts received, from an organization described in section 170(c), as reimbursement of operating expenses with respect to use of a passenger automobile for the benefit of such organization. The preceding sentence shall apply only to the extent that the expenses which are reimbursed would be deductible under this chapter if section 274(d) were applied—

''(1) by using the standard business mileage rate established under such section, and

''(2) as if the individual were an employee of an organization not described in section 170(c).

''(b) APPLICATION TO VOLUNTEER SERVICES ONLY.—Subsection (a) shall not apply with respect to any expenses relating to the performance of services for compensation.

''(c) NO DOUBLE BENEFIT.—A taxpayer may not claim a deduction or credit under any other provision of this title with respect to the expenses under subsection (a).

''(d) EXEMPTION FROM REPORTING REQUIREMENTS.—Section 6041 shall not apply with respect to reimbursements excluded from income under subsection (a).

''(e) TERMINATION.—This section shall not apply to use of a passenger automobile after December 31, 2006.''.

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item

relating to section 139A the following new item:

''Sec. 139B. Mileage reimbursements to charitable volunteers''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to the use of a passenger automobile after the date of the enactment of this Act, in taxable years ending after such date.

TITLE IV—ADDITIONAL TAX RELIEF PROVISIONS

SEC. 401. EXCLUSIONS OF CERTAIN CANCELLATIONS OF INDEBTEDNESS FOR VICTIMS OF HURRICANE KATRINA.

(a) IN GENERAL.—For purposes of the Internal Revenue Code of 1986, gross income shall not include any amount which (but for this section) would be includible in gross income by reason of the discharge (in whole or in part) of indebtedness of a natural person by an applicable entity (as defined in section 6050P(c)(1)) if the discharge is by reason of the damage sustained by the taxpayer in connection with Hurricane Katrina.

(b) EXCEPTION.—Subsection (a) shall not apply to any indebtedness incurred in connection with a trade or business.

(c) 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 such Code.

(d) EFFECTIVE DATE.—This section shall apply to discharges made on or after August 29, 2005, and before January 1, 2007.

SEC. 402. 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. 403. REQUIRED EXERCISE OF AUTHORITY UNDER SECTION 7508A FOR TAX RELIEF FOR VICTIMS OF HURRICANE KATRINA.

(a) AUTHORITY INCLUDES SUSPENSION OF PAYMENT OF EMPLOYMENT AND EXCISE TAXES.—Subparagraphs (A) and (B) of section 7508(a)(1) are amended to read as follows:

''(A) Filing any return of income, estate, gift, employment, or excise tax;

''(B) Payment of any income, estate, gift, employment, or excise tax or any installment thereof or of any other liability to the United States in respect thereof;''.

(b) APPLICATION TO VICTIMS OF HURRICANE KATRINA.—In the case of any taxpayer determined by the Secretary of the Treasury to be affected by the Presidentially declared disaster relating to Hurricane Katrina, any relief provided by the Secretary of the Treasury under section 7508A of the Internal Revenue Code of 1986 shall be for a period ending not earlier than February 28, 2006, and shall be treated as applying to the filing of returns relating to, and the payment of, employment and excise taxes.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply for any period for performing an act which has not expired before August 29, 2005.

SEC. 404. SPECIAL MORTGAGE FINANCING RULES FOR RESIDENCES LOCATED IN HURRICANE KATRINA DISASTER AREA.

In the case of a residence located in a Hurricane Katrina disaster area which replaces a residence destroyed by Hurricane Katrina or which is being repaired for damage caused by Hurricane Katrina, section 143 of the Internal Revenue Code of 1986 shall be applied with the following modifications to financing provided with respect to such residence within 3 years after the date of the disaster declaration:

(1) Subsections (d) of such section 143 shall be applied as if such residence were a targeted area residence.

(2) The limitation under subsection (k)(4) of such section 143 shall be increased (but not above $150,000) to the extent the qualified home-improvement loan is for the repair of damage caused by Hurricane Katrina.

This section shall apply only with respect to bonds issued after August 28, 2005, and before August 29, 2008.

SEC. 405. EXTENSION OF REPLACEMENT PERIOD FOR NONRECOGNITION OF GAIN FOR PROPERTY LOCATED IN HURRICANE KATRINA DISASTER AREA.

Notwithstanding subsections (g) and (h) of section 1033 of the Internal Revenue Code of 1986, clause (i) of section 1033(a)(2)(B) of such Code shall be applied by substituting ''5 years'' for ''2 years'' with respect to property which is compulsorily or involuntarily converted as a result of Hurricane Katrina in a Hurricane Katrina disaster area, but only if substantially all of the use of the replacement property is in such area.

SEC. 406. 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 whose principal place of abode was (as of August 28, 2005) in any Hurricane Katrina disaster area.

(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. 407. 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 the Secretary's delegate may make such adjustments in the application of the internal revenue laws as may be necessary to ensure that taxpayers do not lose any deduction or credit 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.

TITLE V—EMERGENCY REQUIREMENT

SEC. 501. 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).

SA 1729. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill H.R. 2744, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 173, after line 24, insert the following:

SEC. 7_____. None of the funds made available by this Act may be used to provide funding to a research facility that purchases animals from a dealer that holds a Class B license under the Animal Welfare Act (7 U.S.C. 2131 et seq.).

SA 1730. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill H.R. 2744, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 173, after line 24, insert the following:

SEC. 7_____. None of the funds made available by this Act may be used to approve for human consumption under the Federal Meat Inspection Act (21 U.S.C. 601 et seq.) any cattle, sheep, swine, or goats, or horses, mules, or other equines that are unable to stand or walk unassisted at a slaughtering, packing, meat-canning, rendering, or similar establishment subject to inspection at the point of examination and inspection under section 3(a) of that Act (21 U.S.C. 603(a)).

SA 1731. Mr. VITTER (for himself and Mr. COBURN) submitted an amendment intended to be proposed by him to the bill H.R. 2744, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for the fiscal year ending September 30, 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 173, after line 24, insert the following:

SEC. 7_____. None of the funds appropriated or otherwise made available by this Act for the Food and Drug Administration may be used under section 801 of the Federal Food, Drug, and Cosmetic Act to prevent an individual not in the business of importing a prescription drug within the meaning of section 801(g) of such Act, wholesalers, or pharmacists from importing a prescription drug which complies with sections 501, 502, and 505 of such Act.

NOTICES OF HEARINGS/MEETINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DOMENICI. Mr. President, I would like to announce for the information of the Senate and the public that the following hearings have been scheduled before the Committee on Energy and Natural Resources.

The hearing will be held on Tuesday, September 27, 2005 at 10 a.m. in room 366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on the following bills: S. 1701, a bill to amend the Surface Mining Control and Reclamation Act of 1977 to improve the reclamation of abandoned mines; and S. 961, a bill to amend the Surface Mining Control and Reclamation Act of 1977 to reauthorize and reform the Abandoned Mine Reclamation Program, and for other purposes.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send a copy of their testimony to the Committee on Energy and Natural Resources, United States Senate, SD–364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please contact Karen Billups or Amy Millet.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on September 15, 2005, at 10 a.m., to conduct a hearing on the nomination of Mr. Keith E. Gottfried, of California, to be General Counsel of the U.S. Department of Housing and Urban Development; Mr. Israel Hernandez, of Texas, to be Assistant Secretary of Commerce and Director General of the U.S. and Foreign Commercial Service; Mr. Darryl W. Jackson, of the District of Columbia, to be Assistant Secretary of Commerce; Ms. Kim Kendrick, of the District of Columbia, to be Assistant Secretary of Housing and Urban Development; Mr. Franklin L. Lavin, of Ohio, to be Under Secretary of Commerce for International Trade; Mr. David H. McCormick, of Pennsylvania, to be Under Secretary of Commerce for Export Administration; Mr. Keith A. Nelson, of Texas, to be Assistant Secretary of Housing and Urban Development; and Ms. Darlene F. Williams, of Texas, to be Assistant Secretary of Housing and Urban Development.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Foreign Relations Subcommittee on East Asian and Pacific Affairs be authorized to meet during the session of the Senate on Thursday, September 15, 2005, at 2 p.m. to hold a hearing on U.S.-Indonesia Relations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs be authorized to meet on Thursday, September 15, 2005, at 10:30 a.m. to consider the nominations of Stewart A. Baker to be Assistant Secretary, Department of Homeland Security, and Julie L. Myers to be Assistant Secretary, Department of Homeland Security.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on the nomination of John G. Roberts to be Chief Justice of the United States on Thursday, September 15, 2005 at 9:30 a.m., in the Hart Senate Office Building Room 216.

Witness List

Panel I: Stephen L. Tober, Esq., Chairman, American Bar Association, Standing Committee on the Federal Judiciary, Portsmouth, NH; Tom Hayward, Esq., Past-Chairman, American Bar Association, Standing Committee on the Federal Judiciary, Chicago, IL; Pamela A. Bresnahan, Esq., DC Circuit Representative, American Bar Association, Washington, DC.

Panel II: The Honorable Dick Thornburgh, Former Attorney General of the United States, Former Governor of Pennsylvania, Counsel, Kirkpatrick & Lockhart Nicholson Graham, Washington, DC; The Honorable John Lewis, United States House of Representatives, D–GA–5th District; Jennifer Cabranes Braceras, Esq., Commissioner, U.S. Commission on Civil Rights and Visiting Fellow at the Independent Women's Forum, Boston, MA; Wade Henderson, Executive Director, Leadership Conference on Civil Rights, Washington, DC; Peter Kirsanow, Esq., Partner, Benesch, Friedlander, Coplay & Aronoff and Commissioner, U.S. Commission on Civil Rights, Cleveland, OH; The Honorable Nathaniel Jones, Retired Judge, U.S. Circuit Court of Appeals to the Sixth Circuit, Of Counsel, Blank Rome LLP, Cincinnati, OH.

Panel III: Maureen E. Mahoney, Esq., Partner, Latham & Watkins, Washington, DC; Carol M. Browner, Former Administrator, U.S. Environmental Protection Agency, Principal, The Albright Group, Washington, DC; Kathryn Webb Bradley, Esq., Senior Lecturing Fellow, Duke Law School, Durham, NC; Anne Marie Tallman, President and General Counsel, Mexican American Legal Defense and Education Fund, Los Angeles, CA; The Honorable Denise Posse-Blanco Lindberg, Judge, Third Judicial District Court, State of Utah, Salt Lake City, UT; Reginald M. Turner, Jr., President, National Bar Association, Detroit, MI.

Panel IV: Catherine E. Stetson, Esq., Partner, Hogan & Hartson, Washington, DC; Marcia Greenberger, Co-President, National Women's Law Center, Washington, DC; The Honorable Bruce Botelho, Former Attorney General, State of Alaska, Mayor of Juneau, Juneau, AK; Rockerick Jackson, Coach, Ensley High School, Birmingham, AL; Henrietta Wright, Esq., Of Counsel, Goldberg, Godles, Wiener and Wright and Chairman of the Board Dallas Children's Advocacy Center, Dallas, TX; Beverly Jones, Lafayette, TN.

Panel V: The Honorable Charles Fried, Former Solicitor General of the United States, Beneficial Professor of Law, Harvard Law School, Cambidge, MA: Peter B. Edelman, Professor of Law; Co-Director, Joint Degree in Law and Public Policy, Georgetown University Law Center, Washington, DC; Patricia L. Bellia, Professor of Law, Notre Dame Law School, South Bend, IN; Judith Resnik, Arthur Liman Professor of Law, Yale Law School, New Haven, CT; Christopher S. Yoo, Professor of Law, Vanderbilt University Law School, Nashville, TN; David Strauss, Harry N. Wyatt Professor of Law; University of Chicago Law School, Chicago, IL.

Panel VI: Diana Furchtgott-Roth, Senior Fellow, Hudson Institute, Washington, DC; Robert Reich, University Professor and Maurice B. Hexter, Professor of Social and Economic Policy, Brandeis University, Waltham, MA; Rabbi Dale Polakoff, President, Rabbinical Council of America, Great Neck, NY; Susan Thistlethwaite, President, Chicago Theological Seminary, Chicago, IL; The Honorable John Engler, Former Governor of Michigan, President, National Association of Manufacturers, Washington, DC; Karen Pearl, Interim President, Planned Parenthood Federation of America, New York, NY.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be authorized to meet during the session of the Senate on Thursday, September 15, 2005, to mark up the following bills: Committee Print of S. 1182, Chairman Larry E. Craig, the ''Veterans Health Care Improvements Act of 2005,'' incorporating original provisions and provisions derived from S. 1182, as introduced; S. 1177; S. 1189; and S. 1190; and S. 716, Ranking Member DANIEL K. AKAKA, the ''Vet Center Enhancement Act of 2005. The markup will take place in Room 418 of the Russell Senate Office Building at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.