

H.R. 1562—Katrina Housing Tax Relief Act

Summary: H.R. 1562 would extend and expand certain tax laws specific to areas affected by Hurricane Katrina, which were enacted in the Gulf Opportunity Zone Act of 2005. The bill would also raise revenue by changing the collection due process procedures for employment taxes.

The Joint Committee on Taxation (JCT) estimates that enacting H.R. 1562 would de-

crease revenues by \$1 million in 2007 and increase revenues by \$42 million over the 2007–2012 period and by \$4 million over the 2007–2017 period. The Congressional Budget Office estimates that implementing H.R. 1562 would have discretionary costs of less than \$500,000 in 2007 and 2008, subject to the availability of appropriated funds.

JCT has determined that the tax provisions of the bill contain no private-sector or intergovernmental mandates as defined in

the Unfunded Mandates Reform Act (UMRA). CBO has determined that the non-tax provisions (section 4) contain no private-sector or intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of the bill over the 2007–2017 period is shown in the following table.

	By fiscal year, in millions of dollars—												
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2007–2012	2007–2017
CHANGES IN REVENUES ¹													
Low-Income Housing Provisions	0	0	-61	-97	-53	-10	0	0	0	0	0	-221	-221
Treatment of Repairs for Bond Purposes	-1	-4	-7	-4	0	0	0	0	0	0	0	-16	-16
Modification of Collection Due Process	0	53	54	28	20	17	20	23	26	0	0	172	241
Corporate Estimated Tax Payments	0	0	0	0	0	107	-107	0	0	0	0	107	0
Total Changes	-1	49	-14	-73	-33	114	-87	23	26	0	0	42	4
On-Budget	-1	6	-58	-96	-49	100	-103	4	5	0	0	-97	-191
Off-Budget	0	43	44	23	16	14	16	19	21	0	0	139	195

¹ Assuming availability of appropriated funds, the cost of the Government Accountability Office report required by the bill would be less than \$500,000.

Note: Numbers may not sum to totals because of rounding.

Basis of estimate: For this estimate, JCT assumes that the bill will be enacted by July 1, 2007.

Revenues

The legislation would reduce revenues through two provisions related to areas affected by Hurricane Katrina, and it would also raise revenues by changing collection due process procedures for employment tax liabilities and making other changes. All in all, JCT estimates that the bill would increase revenues by \$42 million over the 2007–2012 period and by \$4 million over the 2007–2017 period.

First, H.R. 1562 would decrease revenues by extending and expanding low-income housing credit rules that were enacted in response to damage caused by Hurricane Katrina. Generally, low-income housing credits are subject to a cap. In response to Hurricane Katrina, this ceiling amount was increased for the states affected, for the years 2006 through 2008. This bill would extend the higher cap for two years (through December 31, 2010). It would also make changes to the carryover allocation rules that specifies the time by which the housing must be completed to still qualify for the credit. This provision, JCT estimates, would reduce revenues by \$221 million over the 2009–2012 period.

Second, the bill would reduce revenues by treating certain repairs in the Gulf Opportunity Zone (composed of areas affected by the hurricane) as qualified rehabilitation for purposes of certain bond rules. In general, qualified mortgage bonds are tax-exempt and must be used for new mortgages. Qualified rehabilitation loans, on the other hand, may be used for replacing existing mortgages. Since the hurricane, states in the Gulf Opportunity Zone have been allowed to issue Gulf Opportunity Zone Bonds for construction and rehabilitation of property. This bill would allow loans financed with qualified mortgage bonds and Gulf Opportunity Zone Bonds to be used for existing mortgages, regardless of certain rules in place for normal qualified rehabilitation loans. JCT estimates that this provision would reduce revenues by \$1 million in 2007 and by \$16 million over the 2007–2012 period.

H.R. 1562 would raise revenue by changing collection due process procedures with regards to employment tax liabilities. Currently, the Internal Revenue Service (IRS) may seize a taxpayer's property given a federal tax lien. Prior to seizing the property, the IRS must notify taxpayers that they have a right to a collection due process hear-

ing. This bill would enable the IRS to seize property without first having a hearing. JCT estimates that this provision would increase revenues by \$172 million over the 2007–2012 period and by \$241 million over the 2007–2017 period. Of the revenue gain, JCT estimates that a portion would be off-budget—totaling \$195 million over the 2007–2017 period.

Finally, one provision would shift revenues between 2012 and 2013. For corporations with at least \$1 billion in assets in 2012, the bill would increase the portion of corporate estimated tax payments due in July through September of that year. This change would increase revenues by \$107 million in 2012 and decrease revenues by \$107 million in 2013.

Spending Subject to Appropriation

Section 4 would require the Government Accountability Office to report recommendations to the Congress on the use of federal tax incentives provided to state and local governments affected by Hurricanes Katrina, Rita, and Wilma. Based on similar reports, CBO estimates that preparing and distributing the report would cost less than \$500,000 in any one fiscal year.

Intergovernmental and private-sector impact: JCT has determined that the tax provisions of the bill contain no private-sector or intergovernmental mandates as defined in the UMRA. CBO has determined that the non-tax provisions (section 4) contain no private-sector or intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Estimate prepared by: Federal revenues: Emily Schlect. Federal spending: Matthew Pickford. Impact on state, local, and tribal governments: Melissa Merrell. Impact on the private sector: Nabeel Alsalam.

Estimate approved by: G. Thomas Woodward, Assistant Director for Tax Analysis. Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

TRIBUTE TO REVEREND SONIA
PATRICIA SMITH

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 2007

Mr. TOWNS. Madam Speaker, I rise today to pay tribute to Reverend Sonia Patricia Smith. Reverend Smith is a woman who has always placed her faith and confidence in the Lord.

For the last 15 years, Reverend Smith has been employed with the Visiting Nurse Service of New York where she has spent most of her time working tirelessly on behalf of her patients. Whether it is working with the elderly or providing nursing support to those infected with HIV, she is committed to ensuring that her patients receive the highest level of care and respect. She believes that as a medical professional it is not only her job only to heal her patients physically, but also emotionally and spiritually. Because of her dedication to her patients, she was promoted to the management level at VNS.

In many ways, Reverend Smith sees the fruits of her labor through her family, whether it is her childhood sweetheart whom she married, Anthony, or her three children. Her eldest son Dr. Oronde Smith is a physician and loving husband to his wife Paula and wonderful father to his daughter Oniya. Reverend Smith's middle son Jonathan earned both his bachelors and masters degrees from Harvard University and is currently a third-year law student at New York University. Reverend Smith's youngest son Matthew is a talented musician and a third-year medical student at Downstate Medical School.

Reverend Smith's work with her daughter-in-law Paula demonstrates the compassion she has for others. Several years ago Paula was interested in entering the nursing profession but did not believe she was qualified and decided to terminate her schooling early. Reverend Smith refused to let her quit and tutored Paula helping her through her courses. Today Paula is a registered nurse as well as a nurse practitioner with an M.S. in nursing. Reverend Smith's example with Paula is not the exception, but rather the rule.

Reverend Smith has assisted countless individuals by providing help and often doing everything within her power to ensure that they achieve their goals. She has a special place in her heart for women and children, and being the first lady of Gethsemane Baptist Church where her husband serves as pastor. She has reached out to many members of the congregation giving them advice and lending a listening ear. She has worked extensively with the children's ministry or her "angels" as she

likes to call them, leading the children's church and vacation bible school.

Another example of Reverend Smith's commitment is demonstrated when she, along with her husband, organized and led a trip to Disney World for nearly 50 children in the church several years ago. Although neither the children nor their families had the financial means to afford the trip, Reverend Smith raised the funds and the support for this excursion.

Reverend Smith has touched countless lives through the work she does, and there is no doubt that she will continue to do so for many years to come.

Madam Speaker, I would like to recognize all of the good works of Reverend Sonia Smith and her commitment to the most vulnerable in our society, our elderly and our children.

Madam Speaker, I urge my colleagues to join me in paying tribute to this wonderful for her kindness and compassion.

U.S. TROOP READINESS, VETERANS' HEALTH, AND IRAQ ACCOUNTABILITY ACT, 2007

SPEECH OF

HON. MICHAEL R. TURNER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, March 23, 2007

Mr. TURNER. Mr. Speaker, you cannot legislate victory in a military conflict—but you can legislate failure. This legislation abandons our troops and sets an arbitrary timetable for our withdrawal.

Although America's commitment in Iraq is not unlimited, this legislation sends the wrong message to our troops. Also, this bill contains unrelated spending such as subsidies for spinach farmers, and payments to citrus and peanut farmers.

I fully support the funding for BRAC and I was disappointed when the majority stripped \$3 billion from the FY07 continuing resolution and replaced it in this legislation.

We have a Commander in Chief, who has replaced the military leadership, from the Secretary of Defense down to the Commanders on the ground. A new military strategy has been developed, based upon a strategy and commitments made by the Iraqi Government. Additional forces are being provided to support the Iraqi forces. This supplemental pulls the rug out from under the feet of our military commanders—and our troops. This legislation does not give the new commanders, the chance to succeed. It imposes restrictions and a deadline for withdrawal.

We've talked about supporting the troops. We need to provide the troops with tools, equipment, and moral support necessary for success. The legislation tells the troops, despite your sacrifices, we will not wait for you to get the job done. It tells our enemies to be patient, you only have to wait until August 2008. It tells our allies that the United States is not committed to peace and stability in the Middle East. I, for one, am opposed to sending that type of message.

TRIBUTE TO FORMER
CONGRESSMAN JOHN BRADEMAS

HON. JOE DONNELLY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 2007

Mr. DONNELLY. Madam Speaker, I rise to pay tribute to one of my distinguished predecessors in representing the District I am now privileged to serve in Congress and to wish him a Happy 80th Birthday.

I speak of Dr. John Brademas of South Bend, Indiana, who for 22 years, from 1959 until 1981, served the then Third District of Indiana in the House of Representatives. While in Congress, John Brademas was a member of the Committee on Education and Labor where he played a leading role in writing most of the Federal legislation enacted during that time concerning schools, colleges and universities; services for the elderly and the disabled; libraries and museums; the arts and the humanities.

During his last four years on Capitol Hill, John Brademas was, by appointment of then Speaker Thomas P. "Tip" O'Neill, Jr., House Majority Whip.

PRESIDENT, NEW YORK UNIVERSITY

In 1981 John Brademas was named president of New York University, the largest private university in the United States, a position in which he served from 1981 until 1992, when he became president emeritus, his present position.

During that time Dr. Brademas led the transition of NYU from a regional commuter school to a national and international residential research university. In 1984 he initiated a fundraising campaign that produced a total of \$1 billion in ten years. Said the *New York Times*, "A Decade and a Billion Dollars Put New York University in [the] First Rank." Added *Crain's New York Business* (August 6, 2001), "John Brademas turned NYU into an Ivy League rival . . ."

In 2005 New York University announced the establishment, in its Robert F. Wagner Graduate School of Public Service, of the John Brademas Center for the Study of Congress. The Center undertakes research, teaching and public outreach activities focused on the role of Congress in making national policy.

In 2006 Dr. Brademas received The John Gardner Spirit Award from Common Cause/New York for "his unparalleled dedication to public service and a stronger democracy through his work in Congress, at New York University and as one of the Nation's leading champions of the arts and education."

In his book, *An Entrepreneurial University* (Tufts University Press), former Tufts Provost Saul Gittleman said, "[T]he trustees at NYU . . . in 1981 found an individual who proved to be nontraditional and transformational. . . . [T]he Brademas presidency became another model for trustees and regents to examine, as he took NYU to a new and competitive eminence in New York City and the Nation. By the time his presidency was over, Columbia University was looking over its shoulder, in no small measure due to John Brademas. He was a potent fundraiser and extraordinary ambassador for the university".

In their book, *Shakespeare, Einstein, and the Bottom Line* (Harvard University Press, 2003), scholars David L. Kirp and Jonathan

Van Antwerpen state, "NYU is the success story in contemporary American higher education".

PRODUCTIVE LEGISLATOR

From 1994 through 2001, Dr. Brademas served, by appointment of President Clinton, as Chairman of the President's Committee on the Arts and the Humanities, which in 1997 released *Creative America*, a report to the President on ways of strengthening support, private and public, for these two fields.

Former Chairman of the National Endowment for Democracy, Dr. Brademas was also for 11 years Chairman of the American Ditchley Foundation, which helps organize conferences at Ditchley Park, near Oxford, England.

In Congress, a co-sponsor of the 1965 legislation creating the National Endowments for the Arts (NEA) and the Humanities (NEH), Dr. Brademas for ten years chaired the subcommittee of the House of Representatives with jurisdiction over them.

He was chief House sponsor of the Arts, Humanities and Cultural Affairs Act; Arts and Artifacts Indemnity Act; Museum Services Act; Library Services and Construction Act Amendments; National Commission on Libraries and Information Services Act; Education for All Handicapped Children Act; Drug and Alcohol Abuse Education Act; International Education Act; and Environmental Education Act.

He was also a major co-author of the Elementary and Secondary Education Act of 1965; the Higher Education Acts of 1972 and 1976, which focused on student aid; and chief author of the measures creating the National Institute of Education and the National Institute on Disability and Rehabilitation Research.

He was chief House author as well of the Presidential Recordings and Materials Preservation Act of 1974, which assured ownership by the Federal Government of the papers and tapes of the Nixon Presidency.

WIDE-RANGING PRO BONO SERVICE

Dr. Brademas has served on a number of boards and national commissions on subjects ranging from the arts to higher education, foreign policy, jobs and small business, historic documents and records, and science, technology and government.

In 2004 he was elected to the New York State Board of Regents by the New York State Legislature.

He is a founding director of the Center for Democracy and Reconciliation in Southeast Europe, headquartered in Salonika, Greece. He is also a trustee of Anatolia College, the American College of Thessaloniki.

He currently serves on the boards of the Center for National Policy in Washington, D.C., the Queen Sofia Spanish Institute, InsurBanc, Comfidex Corporation and Society for the Preservation of the Greek Heritage.

He is a member of The Century Association, Committee on Economic Development (CED), Council on Foreign Relations, Council on the United States and Spain, U.S.-Japan Foundation, and the National and International Advisory Councils of Transparency International, the organization that combats corruption in international business transactions.

In 2006 the Committee for Economic Development released a report, *Education for Global Leadership: The Importance of International Studies and Foreign Language Education for U.S. Economic and National Security*. Dr. Brademas was a co-chair of the CED Subcommittee that produced the report.