

that has been able to supersede any of those differences because after the debate of this House is over, socially he has been a good pal for a long time. And I have the impression that he is not going to miss debating alternative minimum tax when he is back in New York. His position has been steadfast in this arena on the issue of AMT, and we have really worked hand in glove with one minor difference: I think rather than borrow the money, I think we should pay for it. And at the same time, I must tell you, he has been a good and humorous friend along the way, and we will miss his presence in the House and on the Ways and Means Committee.

Madam Speaker, I urge adoption of the resolution.

Mr. BLUMENAUER. Madam Speaker, the alternative minimum tax was introduced to the tax code in 1969 to capture a small number of millionaires who had escaped tax liability. Since that laudable beginning, however, the tax has morphed from a millionaire's tax to a middle class tax.

In fact, a failure to pass an alternative minimum tax patch this year will result in millions of additional families being subject to that tax. In my district alone, H.R. 7005 will prevent over 40,000 additional taxpayers from facing the AMT.

Nationally, the alternative minimum tax would, but for this bill, affect over 50 percent of taxpayers with incomes between \$50,000 and \$100,000 this year. This is a tax on nearly every middle class family—and it falls hardest on those raising a family. A 1-year patch is necessary to protect those families.

It is for those reasons that I reluctantly voted in favor of this legislation. However, a piecemeal, year-by-year approach that places the burden on our children's credit cards is insufficient for a challenge of this magnitude. When Congress returns to this issue, I am looking forward to permanently reforming the alternative minimum tax in a way that does not add to our national deficit.

Mr. LEVIN. Madam Speaker, I rise in support of the Alternative Minimum Tax Relief Act.

I do so because this legislation is necessary to protect 25 million middle class families from a tax that was never intended to apply to them, including more than 53,000 families in my district.

But the bill before us will also increase the Federal deficit by more than \$64 billion.

Earlier this year, we passed an AMT patch in a fiscally responsible manner. We paid for it by closing loopholes and improving the fairness of our tax code.

The minority argued that we should just borrow more money, ignoring the ballooning deficit and mounting debt, and the Bush administration's reckless fiscal policies. At no time did we hear the minority oppose our offsets on the merits. At no time did they argue we should not close these loopholes.

They just engaged in absurd ideological arguments and claimed that closing a loophole is a tax increase.

Today we will take this action to protect 25 million taxpayers because it's the necessary thing to do.

Mr. DINGELL. Madam Speaker, I rise today in support of H.R. 7005, legislation that will provide critical tax relief to 25 million middle

class families and provide a solution to the looming Alternative Minimum Tax crisis. Had Congress failed to act, tens of thousands of my constituents in Michigan's 15th Congressional District would have been required to pay the AMT when filing their 2008 tax return. At a time when middle class families are already finding their budgets stretched thin because of rising costs for things like gasoline, groceries, and health care expenses, imposing an increased tax burden would be unconscionable.

The Democratic majority has shown a continuing commitment to responsible fiscal policies, and made numerous efforts to offset the cost of the AMT fix by closing tax loopholes that allow corporate CEOs to receive deferred compensation from offshore companies. Unfortunately, President Bush and the Republican minority have opposed our efforts to find a way to pay for the AMT fix, and have chosen to pass the cost of this bill onto our children and grandchildren rather than require the wealthiest Americans to pay their fair share of taxes.

This is especially disappointing because the expansion of the AMT was an accounting gimmick designed to make the Bush tax cuts for the wealthy more affordable. Since the enactment of those tax cuts, the President has committed us to a war that costs hundreds of billions of dollars every year and the budget deficit has exploded. Despite inheriting balanced budgets, President Bush's irresponsible fiscal policies have caused the national debt to rise to nearly \$9 trillion; three times the size of our debt when President Clinton left office. Clearly, it is time for a change. I look forward to working with a new President next year to find a way to enact a permanent AMT fix, and rewrite our tax laws and put an end to irresponsible Bush fiscal policies.

Mr. SHAYS. Madam Speaker, I rise in strong support of the passage of the Alternative Minimum Tax patch we are considering today that will prevent the AMT from affecting an additional 20 million taxpayers in 2009. I am pleased that we are considering this legislation now, which should give taxpayers and the Internal Revenue Service plenty of time to prepare for this important tax change.

According to a 2007 study by the Tax Foundation, Connecticut's Fourth Congressional District, which I represent, is the seventh most affected district by the AMT. Over 10 percent of our residents' tax returns are subject to the AMT, and the average tax liability of those affected by it is \$5,235 per return.

I would prefer us to be considering an AMT bill today that is offset by a combination of spending cuts and temporary revenue increases, but I am pleased that we are not considering legislation that pays for a 1-year fix in the process with a permanent revenue increase.

Finally, I urge Congress to take up legislation soon that would fully repeal the AMT permanently. While the revenue loss will need to be made up in other ways, it was never the intent for the AMT to affect 41 million taxpayers, which it could by 2013 if it is not changed.

I thank the Ways and Means Committee for bringing this legislation to the floor and urge its adoption.

Mr. ETHERIDGE. Madam Speaker, I rise in support of H.R. 7005, the Alternative Minimum Tax Relief Act of 2008.

H.R. 7005 is critical to easing the burden on middle-class taxpayers. The Alternative Min-

imum Tax, AMT, was originally intended to ensure that the Nation's wealthiest taxpayers were not able to avoid paying taxes altogether. However, it was not indexed for inflation, and today millions of middle income Americans who pay their taxes as required would see a huge tax increase because of the AMT. In my district alone, over 30,000 people would be affected by the AMT this year. H.R. 7005 provides 1 year of AMT relief to protect ordinary taxpayers who are threatened by this extra tax by increasing the amount of income exempt from the Alternative Minimum Tax. In addition, this bill would protect individuals who exercised incentive stock options from being required to pay tax on gains that never materialized. This legislation will protect over 25 million middle-class families from paying the AMT.

I would have preferred that this bill was fully paid for. I supported H.R. 6275, the 1-year AMT patch legislation that the House passed in June of this year. This bill was fully offset and did not add to the deficit. Unfortunately, the Administration and Senate Republicans have continued to ignore fiscal responsibility and have threatened to veto any AMT bill that includes offsets. However, H.R. 7005 is a crucial part of providing tax relief to millions of middle-income Americans and strengthening our lagging economy.

I support H.R. 7005, the Alternative Minimum Tax Relief Act of 2008, and I urge my colleagues to join me in voting for its passage.

Mr. NEAL of Massachusetts. I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. NEAL) that the House suspend the rules and pass the bill, H.R. 7005.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. NEAL of Massachusetts. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

REPORT ON RESOLUTION WAIVING REQUIREMENT OF CLAUSE 6(a) OF RULE XIII WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. HASTINGS of Florida, from the Committee on Rules, submitted a privileged report (Rept. No. 110-879) on the resolution (H. Res. 1490) waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF MOTIONS TO SUSPEND THE RULES

Mr. HASTINGS of Florida, from the Committee on Rules, submitted a privileged report (Rept. No. 110-880) on the

resolution (H. Res. 1491) providing for consideration of motions to suspend the rules, which was referred to the House Calendar and ordered to be printed.

DISASTER TAX RELIEF ACT OF 2008

Mr. RANGEL. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 7006) to amend the Internal Revenue Code of 1986 to provide disaster assistance relief.

The Clerk read the title of the bill. The text of the bill is as follows:

H.R. 7006

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

SECTION 1. SHORT TITLE, ETC.

(a) IN GENERAL.—This Act may be cited as the “Disaster Tax Relief Act of 2008”.

(b) REFERENCE.—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 of this Act is as follows:

- Sec. 1. Short title, etc.
- Sec. 2. Losses attributable to federally declared disasters.
- Sec. 3. Expensing of qualified disaster expenses.
- Sec. 4. Net operating losses attributable to federally declared disasters.
- Sec. 5. Waiver of certain mortgage revenue bond requirements following federally declared disasters.
- Sec. 6. Determination of standard mileage rate for charitable contributions deduction.
- Sec. 7. Additional low income housing allocations.
- Sec. 8. Private activity disaster bonds.
- Sec. 9. Waiver of limitation on charitable contributions for disaster relief.

SEC. 2. LOSSES ATTRIBUTABLE TO FEDERALLY DECLARED DISASTERS.

(a) WAIVER OF ADJUSTED GROSS INCOME LIMITATION.—

(1) IN GENERAL.—Subsection (h) of section 165 is amended by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively, and by inserting after paragraph (2) the following new paragraph:

“(3) SPECIAL RULE FOR LOSSES IN FEDERALLY DECLARED DISASTERS.—

“(A) IN GENERAL.—If an individual has a net disaster loss for any taxable year, the amount determined under paragraph (2)(A)(ii) shall be the sum of—

“(i) such net disaster loss, and

“(ii) so much of the excess referred to in the matter preceding clause (i) of paragraph (2)(A) (reduced by the amount in clause (i) of this subparagraph) as exceeds 10 percent of the adjusted gross income of the individual.

“(B) NET DISASTER LOSS.—For purposes of subparagraph (A), the term ‘net disaster loss’ means the excess of—

“(i) the personal casualty losses—

“(I) attributable to a federally declared disaster occurring after December 31, 2007, and before January 1, 2012, and

“(II) occurring in a disaster area, over

“(ii) personal casualty gains.

“(C) FEDERALLY DECLARED DISASTER.—For purposes of this paragraph—

“(i) FEDERALLY DECLARED DISASTER.—The term ‘federally declared disaster’ means any

disaster subsequently determined by the President of the United States to warrant assistance by the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

“(ii) DISASTER AREA.—The term ‘disaster area’ means the area so determined to warrant such assistance.”.

(2) CONFORMING AMENDMENTS.—

(A) Section 165(h)(4)(B) (as so redesignated) is amended by striking “paragraph (2)” and inserting “paragraphs (2) and (3)”.

(B) Section 165(i)(1) is amended by striking “loss” and all that follows through “Act” and inserting “loss occurring in a disaster area (as defined by clause (ii) of subsection (h)(3)(C)) and attributable to a federally declared disaster (as defined by clause (i) of such subsection)”.

(C) Section 165(i)(4) is amended by striking “Presidentially declared disaster (as defined by section 1033(h)(3))” and inserting “federally declared disaster (as defined by subsection (h)(3)(C)(i))”.

(D)(i) So much of subsection (h) of section 1033 as precedes subparagraph (A) of paragraph (1) thereof is amended to read as follows:

“(h) SPECIAL RULES FOR PROPERTY DAMAGED BY FEDERALLY DECLARED DISASTERS.—

“(1) PRINCIPAL RESIDENCES.—If the taxpayer’s principal residence or any of its constituents is located in a disaster area and is compulsorily or involuntarily converted as a result of a federally declared disaster—”.

(ii) Paragraph (2) of section 1033(h) is amended by striking “investment” and all that follows through “disaster” and inserting “investment is located in a disaster area and is compulsorily or involuntarily converted as a result of a federally declared disaster”.

(iii) Paragraph (3) of section 1033(h) is amended to read as follows:

“(3) FEDERALLY DECLARED DISASTER; DISASTER AREA.—The terms “federally declared disaster” and “disaster area” shall have the respective meaning given such terms by section 165(h)(3)(C).”.

(iv) Section 139(c)(2) is amended to read as follows:

“(2) federally declared disaster (as defined by section 165(h)(3)(C)(i)).”.

(v) Subclause (II) of section 172(b)(1)(F)(ii) is amended by striking “Presidentially declared disasters (as defined in section 1033(h)(3))” and inserting “federally declared disasters (as defined by section 165(h)(3)(C)(i))”.

(vi) Subclause (III) of section 172(b)(1)(F)(ii) is amended by striking “Presidentially declared disasters” and inserting “federally declared disasters”.

(vii) Subsection (a) of section 7508A is amended by striking “Presidentially declared disaster (as defined in section 1033(h)(3))” and inserting “federally declared disaster (as defined by section 165(h)(3)(C)(i))”.

(b) INCREASE IN STANDARD DEDUCTION BY DISASTER CASUALTY LOSS.—

(1) IN GENERAL.—Paragraph (1) of section 63(c) 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 adding at the end the following new subparagraph:

“(D) the disaster loss deduction.”.

(2) DISASTER LOSS DEDUCTION.—Subsection (c) of section 63 is amended by adding at the end the following new paragraph:

“(8) DISASTER LOSS DEDUCTION.—For the purposes of paragraph (1), the term ‘disaster loss deduction’ means the net disaster loss (as defined in section 165(h)(3)(B)).”.

(3) ALLOWANCE IN COMPUTING ALTERNATIVE MINIMUM TAXABLE INCOME.—Subparagraph (E) of section 56(b)(1) is amended by adding at

the end the following new sentence: “The preceding sentence shall not apply to so much of the standard deduction as is determined under section 63(c)(1)(D).”.

(c) INCREASE IN LIMITATION ON INDIVIDUAL LOSS PER CASUALTY.—Paragraph (1) of section 165(h) is amended by striking “\$100” and inserting “\$500 (\$100 for taxable years beginning after December 31, 2011)”.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to—

(A) taxable years beginning after December 31, 2007, and

(B) the taxpayer’s last taxable year beginning before January 1, 2008, solely for purposes of determining the amount allowable as a deduction with respect to any net disaster loss (as defined in section 165(h)(3)(B) of the Internal Revenue Code of 1986) for such year by reason of an election under section 165(i) of such Code.

(2) INCREASE IN LIMITATION ON INDIVIDUAL LOSS PER CASUALTY.—The amendment made by subsection (c) shall apply to taxable years beginning after December 31, 2008.

SEC. 3. EXPENSING OF QUALIFIED DISASTER EXPENSES.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 is amended by inserting after section 198 the following new section:

“SEC. 198A. EXPENSING OF QUALIFIED DISASTER EXPENSES.

“(a) IN GENERAL.—A taxpayer may elect to treat any qualified disaster expenses which are paid or incurred by the taxpayer as an expense which is not chargeable to capital account. Any expense which is so treated shall be allowed as a deduction for the taxable year in which it is paid or incurred.

“(b) QUALIFIED DISASTER EXPENSE.—For purposes of this section, the term ‘qualified disaster expense’ means any expenditure—

“(1) which is paid or incurred in connection with a trade or business or with business-related property,

“(2) which is—

“(A) for the abatement or control of hazardous substances that were released on account of a federally declared disaster,

“(B) for the removal of debris from, or the demolition of structures on, real property which is business-related property damaged or destroyed as a result of a federally declared disaster, or

“(C) for the repair of business-related property damaged as a result of a federally declared disaster, and

“(3) is otherwise chargeable to capital account.

“(c) OTHER DEFINITIONS.—For purposes of this section—

“(1) BUSINESS-RELATED PROPERTY.—The term ‘business-related property’ means property—

“(A) held by the taxpayer for use in a trade or business or for the production of income, or

“(B) described in section 1221(a)(1) in the hands of the taxpayer.

“(2) FEDERALLY DECLARED DISASTER.—The term ‘federally declared disaster’ has the meaning given such term by section 165(h)(3)(C)(i), except that such term shall not include any disaster occurring before January 1, 2008, or after December 31, 2011.

“(d) DEDUCTION RECAPTURED AS ORDINARY INCOME ON SALE, ETC.—Solely for purposes of section 1245, in the case of property to which a qualified disaster expense would have been capitalized but for this section—

“(1) the deduction allowed by this section for such expense shall be treated as a deduction for depreciation, and

“(2) such property (if not otherwise section 1245 property) shall be treated as section 1245