

Cazayoux Co-Sponsored Disaster Tax Relief Legislation Passes House

Disaster Tax Relief Act of 2008 contains important tax relief measures for Gulf Coast homeowners, businesses

WASHINGTON, DC- H.R. 7006, the Disaster Tax Relief Act of 2008, passed the House of Representatives today by a 419-4 vote. The Senate passed similar legislation last night. Congressman Cazayoux is an original co-sponsor of H.R. 7006, which gives much needed tax relief to individuals and businesses who have suffered losses as a result of a natural disaster that occurred or will occur between January 1, 2008 and December 31, 2011. Among other provisions, it expands tax deductions for homeowners who suffered losses during Hurricanes Gustav and Ike by waiving the minimum 10% adjusted gross income requirement for deducting losses.

"This is an important step in the right direction not only for Gulf Coast recovery, but also for people affected by natural disasters from around the country," Cazayoux said. "The Disaster Tax Relief Act will provide homeowners struggling to pay their named storm deductibles important tax relief and give individuals and businesses a jumpstart on their rebuilding efforts after Hurricanes Gustav and Ike. As Governor Bobby Jindal has stated, disaster assistance will come in several forms and over some period of time, but this is a great start to our long-term recovery needs."

In the aftermath of Hurricane Gustav, Congressman Cazayoux has proposed several measures to help homeowners paying high named storm deductibles, including a tax credit for said deductibles and reforming the Stafford Act to allow FEMA to reimburse for named storm deductibles. H.R. 7006 will expand tax deductions for casualty losses that homeowners had to pay out-of-pocket.

The Disaster Tax Relief Act will:

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Waive
the minimum 10% adjusted gross income rule for individuals calculating losses from a federally-declared disaster. Itemized and non-itemized taxpayers will also be eligible. Previously, only itemized taxpayers were eligible.

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Allow
for businesses to deduct and recover qualified disaster expenses in the year in which they are paid or incurred.

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Raise
the net operating loss carry-back period for disasters from three years to five. This prompt refund can help businesses reinvest in themselves or make ends meet in the aftermath of a disaster.

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Allow the
use of tax-exempt mortgage revenue bonds to finance loans of up to \$150,000 for repairing principal residences damaged in presidentially declared disasters.

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Allocate
additional low-income housing tax credits for states in a federally-declared disaster area.

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Extend
private activity bond financing for businesses suffering damage as a result of a federal disaster (Similar to GoZone bonds).

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