

- Committee on Finance -
ESTIMATED REVENUE EFFECTS OF A POSSIBLE PACKAGE THAT WOULD PROVIDE
TEMPORARY TAX RELIEF FOR AREAS DAMAGED BY 2008 MIDWESTERN SEVERE STORMS, TORNADOS, AND FLOODING [1]

Fiscal Years 2009 - 2018

[Millions of Dollars]

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
I. Temporary Tax Relief for Areas Damaged by 2008 Midwestern Severe Storms, Tornados, and Flooding [2]													
A. Tax Benefits for the Midwestern Disaster Area													
1. Special allocation of private activity bond financing (\$1,000 per capita).....	bia DOE & before 1/1/13	-9	-45	-96	-137	-167	-178	-177	-174	-170	-167	-454	-1,320
2. Low-income housing credit (special credit allocation of \$4 per capita in 2009, 2010, and 2011) (sunset 12/31/11).....	caa 12/31/08	-10	-43	-89	-125	-139	-139	-139	-139	-139	-139	-406	-1,101
3. Special allowance for certain property:													
a. Equipment (sunset 12/31/11)	ppisa tadd	-30	-16	3	8	9	7	5	3	2	1	-26	-8
b. Structures (sunset 12/31/12)	ppisa tadd	-33	-39	-42	-44	-29	---	3	4	5	5	-187	-171
4. Increase expensing under section 179 (sunset 12/31/11).....	ppisa tadd	-16	-7	-6	2	9	6	4	3	2	1	-17	-2
5. Partial expensing for certain demolition and clean-up costs (sunset 12/31/10).....	apoia tadd	-2	-1	---	---	---	---	---	---	---	---	-3	-3
6. Extension for expensing for environmental remediation costs (sunset 12/31/10).....	epoia tadd	-6	-4	-1	1	1	1	1	1	1	[3]	-9	-6
7. Increase rehabilitation credit (sunset 12/31/10)....	epoia tadd	-2	-1	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	-3	-3
8. Treatment of net operating losses attributable to storm disaster losses.....	DOE	-103	-23	12	15	15	13	11	9	8	7	-83	-37
9. Credit to holders of Midwestern tax credit bonds.....	bia 12/31/08 & before 1/1/10	-7	-26	-41	-34	-8	-8	-7	-7	-7	-7	-116	-152
10. Expansion of Hope Scholarship and Lifetime Learning Credits for students in the Midwestern disaster area.....	tyba 12/31/07 & before 1/1/10	-71	-50	---	---	---	---	---	---	---	---	-121	-121

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
11. Temporary income exclusion of \$600 monthly for employer-provided lodging in Midwestern disaster area; employer credit of 30% of excluded amount.....	[5]	-20	-2	---	---	---	---	---	---	---	---	-23	-23
12. Special Rules for Use of Retirement Funds for Relief Relating to the Midwestern disaster area:													
a. Penalty-free withdrawals from retirement plans for qualified disaster recovery assistance distributions (capped at \$100,000 per taxpayer); allow amount of distribution to be repaid to an eligible retirement plan within three years and to be included in income ratably over three years.....	dmo/a tadd & before 1/1/10	-34	-6	3	-1	-1	-1	[4]	[4]	[4]	[4]	-40	-42
b. Recontributions of withdrawals for home purchases cancelled due to qualified storm damage.....	[6]												
c. Loans from qualified plans to individuals sustaining an economic loss due to the Midwestern disaster area, but not so purchased or constructed on account of severe storms, tornadoes, or flooding giving rise to the designation of the area as a disaster area.....	[7]	----- <i>Negligible Revenue Effect</i> -----											
13. Employee Retention Credit for employers affected by severe storms, tornados, and flooding.....	wpoia tadd & before 1/1/09	-64	-18	-8	-2	---	---	---	---	---	---	-93	-93
14. Temporary suspension of limitations on qualified charitable contributions for relief efforts related to the Midwestern disaster area.....	[8]	-700	92	66	53	26	13	7	5	3	2	-463	-433
15. Suspension of the 10% and \$100 thresholds on personal casualty losses for losses which arise in the Midwestern disaster area.....	lao/a tadd	-61	---	---	---	---	---	---	---	---	---	-61	-61
16. Special look-back rules for determining earned income - allow residents of the Midwestern disaster area as of the applicable disaster date who experienced a loss of income due to severe storms, tornados, or flooding to elect to use prior year's income in the calculation of the EIC.....	tyi tadd	-89	---	---	---	---	---	---	---	---	---	-89	-89

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
17. Secretarial authority to make adjustments regarding taxpayer and dependency status.....	tybi 2008 or 2009	----- <i>Negligible Revenue Effect</i> -----											
B. Modifications to the Katrina Emergency Tax Relief Act of 2005													
1. Additional \$500 personal exemption for Midwestern displaced individuals (staying as houseguests for at least 60 days) subject to maximum additional exemptions of \$2,000.....	tybi 2008 or 2009	-8	-2	---	---	---	---	---	---	---	---	-10	-10
2. Increase in standard mileage rate for charitable use of a vehicle for providing relief related to the Midwestern disaster area.....	cmo/a tadd & before 1/1/09	-9	---	---	---	---	---	---	---	---	---	-9	-9
3. Mileage reimbursements to charitable volunteers excluded from gross income for providing relief related to the Midwestern disaster area up to standard business mileage rate.....	uopao/a tadd & before 1/1/09	-1	---	---	---	---	---	---	---	---	---	-1	-1
4. Exclusions of certain cancellations of indebtedness for certain taxpayers affected by severe storms, tornados, or flooding	Dmo/a tadd & before 1/1/10	-4	-2	---	---	---	---	---	---	---	---	-6	-6
5. Extend replacement period for nonrecognition of gain for property located in Midwestern disaster area.....	DOE	-30	-41	-3	1	1	1	2	2	2	2	-73	-65
Total of Temporary Tax Relief for Areas Damaged by 2008 Midwestern Severe Storms, Tornados, and Flooding		-1,309	-234	-202	-262	-284	-286	-290	-293	-294	-296	-2,293	-3,755
II. Extend and Modify Enhanced Charitable Deductions for Contributions of Food Inventory (sunset 12/31/09)	cma 12/31/07 & cmi tyea DOE	-102	-58	---	---	---	---	---	---	---	---	-160	-160
III. Extension of Enhanced Charitable Deduction for Contributions of Book Inventory (sunset 12/31/09)	cma 12/31/07	-30	-15	---	---	---	---	---	---	---	---	-45	-45

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
IV. Reporting Requirements Relating to Disaster													
Relief Contributions	rfa 12/31/08	----- <i>Negligible Revenue Effect</i> -----											
NET TOTAL		-1,441	-307	-202	-262	-284	-286	-290	-293	-294	-296	-2,498	-3,960

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be October 1, 2008.

Legend for "Effective" column:

- | | | |
|--|--|---------------------------------------|
| apoa = amounts paid or incurred after | Dmo/a = discharges made on or after | tyba = taxable years beginning after |
| bia = bonds issued after | DOE = date of enactment | tybi = taxable years beginning in |
| bib = bonds issued before | epoa = expenditures paid or incurred after | tyea = taxable years ending after |
| caa = credits allocated after | lao/a = losses arising on or after | tyi = taxable year including |
| cma = contributions made after | ppisa = property placed in service after | uopao/a = use of passenger automobile |
| cmi = contributions made in | rfa = returns filed after | on or after |
| cmo/a = contributions made on or after | tadd = the applicable disaster date | wpoia = wages paid or incurred after |
| dmo/a = distributions made on or after | | |

[1] Estimates are subject to change as additional data on the scope of provisions is finalized and the duration of proposal is determined.

[2] The "Midwestern Disaster Area" means an area to which a major disaster has been declared by the President after May 20, 2008, and before August 1, 2008, under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of severe storms, tornados, or flooding occurring during May or June of 2008 in the states of Arkansas, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, and Wisconsin. The "Midwestern Disaster Area" means an area determined by the President to warrant individual or individual and public assistance from the Federal Government under such Act with respect to damages attributable to such severe storms, tornados, or flooding.

[3] Gain of less than \$500,000.

[4] Loss of less than \$500,000.

[5] Effective for lodging provided during the six-month period beginning on the first day of the first month after the applicable disaster date.

[6] Effective for distributions made after the date which is 6 months before the applicable disaster date and before the date which is the day after the applicable disaster date.

[7] Increase in loan limits effective for loans made after the date of enactment and before January 1, 2010; repayment relief for loans outstanding beginning on the date of enactment of the Housing and Economic Recovery Act of 2008, and ending on December 31, 2009.

[8] Contributions paid during the period beginning on the earliest applicable disaster date and ending on December 31, 2008.