

Bipartisan Coalition Introduces Hurricane Sandy Tax Relief

WASHINGTON – In order to provide additional assistance to families and businesses struggling to rebuild in the wake of Hurricane Sandy, U.S. Rep. Bill Pascrell, Jr. (D-NJ-09) lead a bipartisan coalition including Reps. Joseph Crowley (D-NY), Rodney Frelinghuysen (R-NJ), Michael Grimm (R-NY), John Larson (D-CT), Frank LoBiondo (R-NJ), Charles Rangel (D-NY), Tom Reed (R-NY) and Carolyn McCarthy (D-NY) in introducing legislation to provide tax relief to the victims of the devastating storm that caused widespread destruction throughout the Northeast. **The Hurricane Sandy Tax Relief Act of 2013**, modeled after a similar bill passed into law in the wake of Hurricane Katrina, is aimed at providing tax relief for victims of Hurricane Sandy in areas designated as Federal Disaster Areas by the President.

"While the Sandy aid we fought so hard for is finally getting to the communities that desperately need it, we know it's not going to be enough to help families and businesses fully recover," **said Rep. Pascrell, a member of the House Ways and Means Committee.** "This legislation will go a long way towards filling this gap by providing immediate tax relief to those impacted by Sandy's devastation. Similar tax relief has been passed following some of our country's worst natural disasters, and Sandy victims deserve nothing less than the same treatment. Despite stepping up to the plate when other regions of the country have been hit by natural disasters, the Northeast was left waiting more than three months for federal aid following Sandy. We simply can't allow this double standard to continue to hamper recovery efforts."

"Seven months after Hurricane Sandy, New Jersey residents and business are continuing the hard work of recovery," **Rep. Rodney Frelinghuysen said.** "This legislation gives families the ability to help themselves by targeting tax relief where it's most needed."

"While the physical signs of Sandy's destruction are being repaired and communities are put back together, there remains a significant need to address the unseen negative impact on families and businesses. This bipartisan legislation will ensure equity of treatment to our constituents suffering from a major storm and a vital opportunity to finally put Sandy behind them," **said Rep. Frank LoBiondo.**

"We fought hard for aid following Hurricane Sandy so that victims would get the help needed to rebuild their communities," **said Rep. Tom Reed, a member of the House Ways and Means Committee.** "Today's bill is a way to follow through on our commitment to make sure that aid isn't delayed. As one of the costliest natural disasters in the history of our country, Hurricane Sandy left a path of destruction millions of Americans are still trying to recover from. With this bill, we can continue and enhance those rebuilding efforts."

"The reality is hundreds of thousands of families and businesses affected by Hurricane Sandy are exactly that – still affected. This legislation will help provide assistance and relief as the daunting challenge of rebuilding, restarting and re-establishing lives and livelihoods continues," **said Rep. Joe Crowley, a member of the House Ways and Means Committee.** "The fundamental goal

of government is to protect and help our citizens in need. Just as Congress has done in the wake of other natural disasters, it is critical that we provide this much-needed tax relief as soon as possible.”

"One of the greatest attributes of our nation is the resiliency of the people in devastated communities and the shared understanding that the whole country is there to lift them up in their time of need," **said Rep. Charles B. Rangel, a member of the House Ways and Means Committee.** "The damage and suffering caused by Hurricane Sandy is not merely felt by those affected in the East Coast, but by all of America. I'm proud to have worked on the Hurricane Sandy Tax Relief Act of 2013 with my Colleagues because it is an American solution to an American problem. This bipartisan bill is based on tax relief that has been provided in the aftermath all major disasters across the country. We cannot wait. It should be enacted as soon as possible."

"From hurricanes and tornadoes to wildfires and floods, Americans come together in the face of disaster," **said Rep. Carolyn McCarthy.** "We're asking our colleagues in Congress to help the millions of people affected by Sandy through this commonsense and fair tax relief, because it's the right thing to do and helping each other is who we are as Americans."

"The damage caused by Hurricane Sandy will leave a lasting impact on communities in Connecticut and across the East Coast," **said Congressman Larson, a member of the House Ways and Means Committee.** "Congress has an obligation to help these Americans, who have been forced to deal with the economic strain of a devastating natural disaster. I am proud of the bipartisan efforts of my colleagues who understand that providing relief is not about politics or ideology, rather it is our responsibility to respond to Americans in need. I urge Congress to take up this legislation and help our cities, towns and businesses recover."

"As federal aid begins to flow into the hands of those struggling to recover from Sandy, it will never fully cover the cost of the storm," **said Rep. Grimm.** "By pairing aid with tax relief, we can maximize assistance to our struggling families and businesses, and further ease the burden of recovery. Congress has a long history of providing tax relief in the aftermath of natural disasters, and the people of New York and New Jersey deserve the same opportunity."

The legislation will complement the federal government's relief and recovery efforts by providing additional tax relief to businesses, individuals and municipalities affected by Hurricane Sandy, including:

Individual Assistance:

- Waiver of Adjusted Gross Income limitation for theft/loss deduction, so individuals can deduct the cost of uninsured losses.
- Increased Charitable Contribution Limits: The legislation increases charitable deduction limits of taxpayers with respect to cash contributions to certain tax exempt organizations made for the purpose of relief efforts related to Hurricane Sandy.

- Look-back Provision for Child Tax Credit and Earned Income Tax Credit, to allow a family in the affected region to opt to use their previous year's earnings to calculate their Child Tax Credit and Earned Income Tax Credit.
- Allow taxpayers whose principal place of residence is in the Hurricane Sandy Disaster Area and who suffered a loss from Hurricane Sandy, to take distributions from retirement savings accounts with no tax penalty, provided such amount is repaid within three years.

Business Assistance:

- Allowing businesses to expense the cost of disaster recovery.
- Allowing businesses to use Net Operating Loss to recover past tax payments or reduce future tax payments, if they are operating with no tax liability during the prescribed period.
- Increase in new markets tax credit for investments in community development entities serving Hurricane Sandy disaster areas.
- Allowing public utilities to reduce their tax liability when rebuilding or replacing assets damaged in the storm.
- Work Opportunity Tax Credits for displaced workers.

Public and Municipal Assistance:

- A new state-by-state private activity bond allocation for Sandy-affected areas to rebuild docks and wharfs, commuting facilities, certain housing, water, sewage, and solid waste infrastructure, and facilities used to provide electric energy or gas.

Housing Assistance:

- Increased allocation of the Low Income Housing Tax Credit for declared disaster areas.
- Waiver of certain mortgage revenue bond requirements, easing access to capital.

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