

109TH CONGRESS
1ST SESSION

S. 1705

To allow a credit against income tax for providing housing to victims of Hurricane Katrina and to amend the Internal Revenue Code of 1986 to waive the limitation on charitable donations by individuals for donations for the relief of the victims of Hurricane Katrina.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 14, 2005

Mr. SALAZAR introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To allow a credit against income tax for providing housing to victims of Hurricane Katrina and to amend the Internal Revenue Code of 1986 to waive the limitation on charitable donations by individuals for donations for the relief of the victims of Hurricane Katrina.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CREDIT FOR EXPENSES INCURRED FOR HOUS-**
4 **ING VICTIMS OF HURRICANE KATRINA.**

5 (a) IN GENERAL.—In the case of an individual, there
6 shall be allowed as a credit against the tax imposed by
7 chapter 1 of the Internal Revenue Code of 1986 for the

1 taxable year an amount equal to \$20 for each day the tax-
2 payer houses a Hurricane Katrina evacuee in the tax-
3 payer's principal place of abode during the period begin-
4 ning on August 26, 2005, and ending on December 31,
5 2005.

6 (b) LIMITATIONS.—

7 (1) DOLLAR LIMITATION.—The credit allowed
8 under subsection (a) shall not exceed—

9 (A) \$900 with respect to any Hurricane
10 Katrina evacuee, and

11 (B) \$2,000 with respect to any taxpayer.

12 (2) MINIMUM LENGTH OF STAY.—No credit
13 shall be allowed under subsection (a) with respect to
14 any Hurricane Katrina evacuee unless such evacuee
15 is housed at the taxpayer's principal residence for at
16 least 7 consecutive days.

17 (c) HURRICANE KATRINA EVACUEE.—For purposes
18 of this section, the term “Hurricane Katrina evacuee”
19 means any individual—

20 (1) whose principal place of abode is within an
21 area—

22 (A) with respect to which a major disaster
23 has been declared by the President before Sep-
24 tember 14, 2005, under section 401 of the Rob-
25 ert T. Stafford Disaster Relief and Emergency

1 Assistance Act in connection with Hurricane
2 Katrina, and

3 (B) which is determined by the President
4 before such date to warrant individual assist-
5 ance, or individual and public assistance, from
6 the Federal Government under such Act, and

7 (2) who is not able to inhabit such principal
8 place of abode due to damage sustained from Hurri-
9 cane Katrina.

10 (d) TREATMENT OF CREDIT.—Except as provided in
11 subsection (e), for purposes of the Internal Revenue Code
12 of 1986, the credit allowed under subsection (a) shall be
13 treated as a credit allowed under subpart A of part IV
14 of subchapter A of chapter 1 of such Code.

15 (e) PORTION OF CREDIT REFUNDABLE.—The aggre-
16 gate credits allowed to a taxpayer under subpart C of the
17 Internal Revenue Code of 1986 shall be increased by the
18 lesser of—

19 (1) the amount of the credit which would be al-
20 lowed under this section without regard to this sub-
21 section and the limitation under section 26(a) of
22 such Code, or

23 (2) \$500.

24 The amount of the credit allowed under this subsection
25 shall reduce the amount of the credit otherwise allowable

1 under subsection (a) without regard to section 26(a) of
2 such Code.

3 **SEC. 2. WAIVER OF LIMIT ON CHARITABLE DONATIONS FOR**
4 **RELIEF OF VICTIMS OF HURRICANE**
5 **KATRINA.**

6 (a) IN GENERAL.—Paragraph (1) of section 170(b)
7 of the Internal Revenue Code of 1986 is amended by add-
8 ing at the end the following new subparagraph:

9 “(G) WAIVER OF LIMITATION FOR HURRI-
10 CANE KATRINA CONTRIBUTIONS.—

11 “(i) IN GENERAL.—This paragraph
12 shall be disregarded with respect to the ag-
13 gregate of contributions for any taxable
14 year which are described in clause (ii).

15 “(ii) CONTRIBUTION DESCRIBED.—A
16 contribution is described in this clause if
17 such contribution is a cash contribution
18 made before January 1, 2010, for the re-
19 lief of victims in areas affected by Hurri-
20 cane Katrina.”.

21 (b) EFFECTIVE DATE.—The amendment made by
22 subsection (a) shall apply to contributions made after Au-
23 gust 28, 2005.

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