

## **Pascrell, LoBiondo, Crowley, Reed Lead Effort to Assist Sandy Victims**

*On Tax Day, bipartisan group of lawmakers call on House to provide tax relief to struggling families & businesses*

WASHINGTON, DC - As millions of Americans face the April 15th deadline to submit their 2012 tax returns, U.S. Reps. Bill Pascrell, Jr. (D-NJ), Frank LoBiondo (R-NJ), Joe Crowley (D-NY) and Tom Reed (R-NY) today renewed their call for tax relief to the victims of Hurricane Sandy, many of which are still rebuilding in the wake of the devastating storm. In a letter to Speaker Boehner, the bipartisan group of 32 lawmakers from the affected region urged the Speaker to support tax relief legislation in line with the principles of the Hurricane Sandy Tax Relief Act of 2012, which was introduced in the 112th Congress. Pascrell, Crowley, and Reed are members of the tax-writing Ways and Means Committee.

Referencing tax relief routinely provided by Congress in the wake of previous disasters including Hurricane Katrina, the lawmakers wrote, **"Congress took action in each of these cases by helping these devastated communities recover, using well known and understood tax provisions to target relief for families and communities and to finance rebuilding. One key example of the tax relief provided was waiving the high threshold for individuals to claim losses to their personal property, such as damage to their homes and cars, from these natural disasters. This tax relief helped speed the recovery for millions of American families who were hurt through no fault of their own."**

The letter continues, **"Hurricane Sandy was the second-costliest natural disaster in the history of our country, and its victims in New York, New Jersey, Connecticut and across the region seek relief consistent with that which Congress provided to other areas of the country when they have faced similar hardship. One of the main**

**roles of government is the protection of its citizens, and our constituents still need help."**

The legislation will compliment 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.
- Increase the limitation on charitable contributions for disaster relief.
- 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.

The full text of the letter follows:

April 15, 2013

Dear Speaker Boehner:

We thank you for your support earlier this year in passing a supplemental appropriations bill to aid the victims of Hurricane Sandy. We now urge you to quickly pass a tax relief package for victims of this disaster.

Congress has routinely provided tax relief to communities in the wake of our worst natural disasters. Three weeks after Hurricane Katrina devastated the Gulf, Congress passed the Katrina Emergency Tax Relief Act of 2005. Later in the year, Congress passed a more comprehensive bill, the Gulf Opportunity Zone Act of 2005, which expanded many provisions and provided further relief not only for Hurricane Katrina victims, but also in response to subsequent Hurricanes Rita and Wilma. In the 2008 Farm Bill, Congress provided additional tax relief targeted to just a few counties in Kansas that had been hit by storms and tornadoes.

Later that same year, Congress approved tax relief for the victims of the severe weather in the Midwest as well as the regions impacted by Hurricane Ike. Furthermore, this “Hurricane Ike” bill included general disaster tax relief for victims of any federally-declared disaster before January 1, 2010: over 130 disasters were covered.

Congress took action in each of these cases by helping these devastated communities recover, using well known and understood tax provisions to target relief for families and communities and to finance rebuilding. One key example of the tax relief provided was waiving the high threshold for individuals to claim losses to their personal property, such as damage to their homes and cars, from these natural disasters. This tax relief helped speed the recovery for millions of American families who were hurt through no fault of their own.

Hurricane Sandy was the second-costliest natural disaster in the history of our country, and its victims in New York, New Jersey, Connecticut and across the region seek relief consistent with that which Congress provided to other areas of the country when they have faced similar hardship. One of the main roles of government is the protection of its citizens, and our constituents still need help.

Last year, bipartisan tax relief legislation was introduced to help get these families back on their feet. We would like to work with you to swiftly pass this vital legislation into law.

Sincerely,

Rep. Bill Pascrell, Jr. (NJ-09)  
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Rep. Joseph Crowley (NY-14)  
Rep. Charles B. Rangel (NY-13)  
Rep. John B. Larson (CT-01)  
(NY-11)

Rep. Steve Israel (NY-09)

Rep. Frank LoBiondo (NJ-

Rep. Tom Reed (NY-23)  
Rep. Peter T. King (NY-02)  
Rep. Michael G. Grimm

Rep. Jon Runyan (NJ-03)

Rep. Carolyn McCarthy (NY-04)  
(NJ-11)

Rep. Frank Pallone, Jr. (NJ-06)  
07)

Rep. Donald Payne, Jr. (NJ-10)  
(NJ-04)

Rep. Robert E. Andrews (NJ-01)  
(RI-02)

Rep. David N. Cicilline (RI-01)

Rep. Joe Courtney (CT-02)

Rep. Rosa L. DeLauro (CT-03)

Rep. Jose E. Serrano (NY-15)  
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Rep. Brian Higgins (NY-26)  
(NY-05)

Rep. Jerrold Nadler (NY-10)  
(NY-18)

Rep. Timothy H. Bishop (NY-01)

Rep. Rodney Frelinghuysen

Rep. Leonard Lance (NJ-

Rep. Christopher H. Smith

Rep. James R. Langevin

Rep. Albio Sires (NJ-08)

Rep. Rush Holt (NJ-12)

Rep. Eliot L. Engel (NY-16)

Rep. Louise Slaughter (NY-

Rep. Gregory W. Meeks

Rep. Sean Patrick Maloney

Rep. Grace Meng (NY-06)