Union Calendar No.

110TH CONGRESS 1ST SESSION

H. R. 1562

[Report No. 110-]

To amend the Internal Revenue Code of 1986 to extend and expand certain rules with respect to housing in the GO Zones.

IN THE HOUSE OF REPRESENTATIVES

March 19, 2007

Mr. Rangel (for himself, Mr. McCrery, and Mr. Lewis of Georgia) introduced the following bill; which was referred to the Committee on Ways and Means

March --, 2007

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed [Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on March 19, 2007]

A BILL

- To amend the Internal Revenue Code of 1986 to extend and expand certain rules with respect to housing in the GO Zones.
 - 1 Be it enacted by the Senate and House of Representa-
 - 2 tives of the United States of America in Congress assembled,

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1	SECTION 1. SHORT TITLE.
2	This Act may be cited as the "Katrina Housing Tax
3	Relief Act of 2007".
4	SEC. 2. EXTENSION AND EXPANSION OF LOW-INCOME
5	HOUSING CREDIT RULES FOR BUILDINGS IN
6	THE GO ZONES.
7	(a) Time for Making Low-Income Housing Credit
8	Allocations.—Subsection (c) of section 1400N of the In-
9	ternal Revenue Code of 1986 (relating to low-income hous-
10	ing credit) is amended by redesignating paragraph (5) as
11	paragraph (6) and by inserting after paragraph (4) the fol-
12	lowing new paragraph:
13	"(5) Time for making low-income housing
14	CREDIT ALLOCATIONS.—Section 42(h)(1)(B) shall not
15	apply to an allocation of housing credit dollar
16	amount to a building located in the Gulf Opportunity
17	Zone, the Rita GO Zone, or the Wilma GO Zone, if
18	such allocation is made in 2006, 2007, or 2008, and
19	such building is placed in service before January 1,
20	2011.".
21	(b) Extension of Period for Treating GO Zones
22	AS DIFFICULT DEVELOPMENT AREAS.—
23	(1) In General.—Subparagraph (A) of section

1400N(c)(3) of such Code is amended by striking

"2006, 2007, or 2008" and inserting "the period be-

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1	ginning on January 1, 2006, and ending on Decem-
2	ber 31, 2010".
3	(2) Conforming amendment.—Clause (ii) of
4	section $1400N(c)(3)(B)$ of such Code is amended by
5	striking "such period" and inserting "the period de-
6	scribed in subparagraph (A)".
7	(c) Community Development Block Grants Not
8	Taken Into Account in Determining if Buildings Are
9	FEDERALLY SUBSIDIZED.—Subsection (c) of section 1400N
10	of such Code (relating to low-income housing credit), as
11	amended by this Act, is amended by redesignating para-
12	graph (6) as paragraph (7) and by inserting after para-
13	graph (5) the following new paragraph:
14	"(6) Community development block grants
15	NOT TAKEN INTO ACCOUNT IN DETERMINING IF
16	Buildings are federally subsidized.—For pur-
17	pose of applying section $42(i)(2)(D)$ to any building
18	which is placed in service in the Gulf Opportunity
19	Zone, the Rita GO Zone, or the Wilma GO Zone dur-
20	ing the period beginning on January 1, 2006, and
21	ending on December 31, 2010, a loan shall not be
22	treated as a below market Federal loan solely by rea-
23	son of any assistance provided under section 106,
24	107, or 108 of the Housing and Community Develop-
25	ment Act of 1974 by reason of section 122 of such Act

1	or any provision of the Department of Defense Appro-
2	priations Act, 2006, or the Emergency Supplemental
3	Appropriations Act for Defense, the Global War on
4	Terror, and Hurricane Recovery, 2006.".
5	SEC. 3. SPECIAL TAX-EXEMPT BOND FINANCING RULE FOR
6	REPAIRS AND RECONSTRUCTIONS OF RESI-
7	DENCES IN THE GO ZONES.
8	Subsection (a) of section 1400N of the Internal Rev-
9	enue Code of 1986 (relating to tax-exempt bond financing)
10	is amended by adding at the end the following new para-
11	graph:
12	"(7) Special rule for repairs and recon-
13	STRUCTIONS.—
14	"(A) In general.—For purposes of section
15	143 and this subsection, any qualified GO Zone
16	repair or reconstruction shall be treated as a
17	qualified rehabilitation.
18	"(B) Qualified go zone repair or re-
19	CONSTRUCTION.—For purposes of subparagraph
20	(A), the term 'qualified GO Zone repair or re-
21	construction' means any repair of damage
22	caused by Hurricane Katrina, Hurricane Rita,
23	or Hurricane Wilma to a building located in the
24	Gulf Opportunity Zone, the Rita GO Zone, or
25	the Wilma GO Zone (or reconstruction of such

1	building in the case of damage constituting de-
2	struction) if the expenditures for such repair or
3	reconstruction are 25 percent or more of the
4	mortgagor's adjusted basis in the residence. For
5	purposes of the preceding sentence, the mortga-
6	gor's adjusted basis shall be determined as of the
7	completion of the repair or reconstruction or, if
8	later, the date on which the mortgagor acquires
9	the residence.
10	"(C) Termination.—This paragraph shall
11	apply only to owner-financing provided after the
12	date of the enactment of this paragraph and be-
13	fore January 1, 2011.".
14	SEC. 4. GAO STUDY OF PRACTICES EMPLOYED BY STATE
15	AND LOCAL GOVERNMENTS IN ALLOCATING
16	AND UTILIZING TAX INCENTIVES PROVIDED
17	PURSUANT TO THE GULF OPPORTUNITY
18	ZONE ACT OF 2005.
19	(a) In General.—The Comptroller General of the
20	United States shall conduct a study of the practices em-
21	ployed by State and local governments, and subdivisions
22	thereof, in allocating and utilizing tax incentives provided
23	pursuant to the Gulf Opportunity Zone Act of 2005 and
24	this Act.

1	(b) Submission of Report.—Not later than one year
2	after the date of the enactment of this Act, the Comptroller
3	General shall submit a report on the findings of the study
4	conducted under subsection (a) and shall include therein
5	recommendations (if any) relating to such findings. The re-
6	port shall be submitted to the Committee on Ways and
7	Means of the House of Representatives and the Committee
8	on Finance of the Senate.
9	(c) Congressional Hearings.—In the case that the
10	report submitted under this section includes findings of sig-
11	nificant fraud, waste or abuse, each Committee specified in
12	subsection (b) shall, within 60 days after the date the report
13	is submitted under subsection (b), hold a public hearing to
14	review such findings.
15	SEC. 5. MODIFICATION OF COLLECTION DUE PROCESS PRO-
16	CEDURES FOR EMPLOYMENT TAX LIABIL-
17	ITIES.
18	(a) In General.—Section 6330(f) of the Internal Rev-
19	enue Code of 1986 (relating to jeopardy and State refund
20	collection) is amended—
21	(1) by striking "; or" at the end of paragraph
22	(1) and inserting a comma,
23	(2) by adding "or" at the end of paragraph (2),
24	and

1	(3) by inserting after paragraph (2) the fol-
2	lowing new paragraph:
3	"(3) the Secretary has, on or before September
4	30, 2015, served a levy in connection with the collec-
5	tion of taxes under chapter 21, 22, 23, or 24,".
6	(b) Effective Date.—The amendments made by this
7	section shall apply to levies served on or after the date that
8	is 120 days after the date of the enactment of this Act.
9	SEC. 6. TIME FOR PAYMENT OF CORPORATE ESTIMATED
10	TAXES.
11	Subparagraph (B) of section 401(1) of the Tax In-
12	crease Prevention and Reconciliation Act of 2005 is amend-
13	ed by striking "106.25 percent" and inserting "106.45 per-
14	cent".

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