115TH CONGRESS 1ST SESSION

H. R. ______

To provide emergency tax relief for persons affected by severe storms and flooding occurring in Louisiana.

IN THE HOUSE OF REPRESENTATIVES

Mr. Graves of Louisiana introduced the following bill; which was referred to the Committee on ______________________

A BILL

To provide emergency tax relief for persons affected by severe storms and flooding occurring in Louisiana.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, ETC.

(a) Short Title.—This Act may be cited as the “Louisiana Flood and Storm Devastation Tax Relief Act of 2017”.

(b) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title, etc.
Sec. 2. Louisiana Storm and Flood Disaster Area.
TITLE I—SPECIAL RULES FOR USE OF RETIREMENT FUNDS FOR RELIEF RELATING TO LOUISIANA STORMS AND FLOODING

Sec. 101. Tax-favored withdrawals from retirement plans for relief relating to Louisiana storms and flooding.

Sec. 102. Recontributions of withdrawals for home purchases canceled due to the Louisiana storms and flooding.

Sec. 103. Loans from qualified plans for relief relating to Louisiana storms and flooding.

Sec. 104. Provisions relating to plan amendments.

TITLE J—EMPLOYMENT RELIEF

Sec. 201. Work opportunity tax credit for Louisiana storm and flood employees.

Sec. 202. Employee retention credit for employers affected by Louisiana storms and flooding.

TITLE K—CHARITABLE GIVING INCENTIVES

Sec. 301. Temporary suspension of limitations on charitable contributions.

Sec. 302. Additional exemption for housing Louisiana storm and flood displaced individuals.

Sec. 303. Increase in standard mileage rate for charitable use of vehicles.

Sec. 304. Mileage reimbursements to charitable volunteers excluded from gross income.

Sec. 305. Charitable deduction for contributions of book inventories to public schools.

TITLE L—ADDITIONAL TAX RELIEF PROVISIONS

Sec. 401. Exclusions of certain cancellations of indebtedness by reason of Louisiana storms and flooding.

Sec. 402. Suspension of certain limitations on personal casualty losses.

Sec. 403. Required exercise of authority under section 7508A for tax relief relating to Louisiana storms and flooding.

Sec. 404. Special rules for mortgage revenue bonds relating to Louisiana storms and flooding.

Sec. 405. Extension of replacement period for nonrecognition of gain for property located in Louisiana storm and flood disaster area.

Sec. 406. Special rule for determining earned income.

Sec. 407. Secretarial authority to make adjustments regarding taxpayer and dependency status.

Sec. 408. Low-income housing credit.

Sec. 409. Application of new markets tax credit to investments in community development entities serving Louisiana storm and flood disaster area.

Sec. 410. Tax-exempt bond financing.

Sec. 411. Expensing for certain demolition and clean-up costs.

Sec. 412. Extension of expensing for environmental remediation costs.

Sec. 413. Treatment of net operating losses attributable to Louisiana storm and flood disaster area losses.

Sec. 414. Increased expensing for qualified timber property.

Sec. 415. Disaster loss carryback.

Sec. 416. Housing relief for individuals affected by Louisiana storms and flooding.
SEC. 2. LOUISIANA STORM AND FLOOD DISASTER AREA.

For purposes of this Act—

(1) LOUISIANA STORM AND FLOOD DISASTER AREA.—The term “Louisiana storm and flood disaster area” means an area with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act—

(A) before September 3, 2016, by reason of severe storms and flooding occurring in Louisiana during August of 2016,

(B) before April 21, 2016, by reason of severe storms and flooding occurring in Louisiana during March and April of 2016, and

(C) before February 12, 2017, by reason of tornadoes, storms, and straight line winds occurring in Louisiana on February 7, 2017.

(2) CORE DISASTER AREA.—The term “core disaster area” means that portion of the Louisiana storm and flood disaster area determined by the President to warrant individual or individual and public assistance from the Federal Government under such Act.

(3) APPLICABLE DISASTER DATE.—The term “applicable disaster date” means, with respect to any Louisiana storm and flood disaster area, the
date of the first day of the period during which the severe storms and flooding giving rise to the Presidential declaration described in paragraph (1) occurred.

TITLE I—SPECIAL RULES FOR USE OF RETIREMENT FUNDS FOR RELIEF RELATING TO LOUISIANA STORMS AND FLOODING

SEC. 101. TAX-FAVORED WITHDRAWALS FROM RETIREMENT PLANS FOR RELIEF RELATING TO LOUISIANA STORMS AND FLOODING.

(a) In General.—Section 72(t) of the Internal Revenue Code of 1986 shall not apply to any qualified Louisiana storm and flood distribution.

(b) Aggregate Dollar Limitation.—

(1) In General.—For purposes of this section, the aggregate amount of distributions received by an individual which may be treated as qualified Louisiana storm and flood distributions for any taxable year shall not exceed the excess (if any) of—

(A) $100,000, over

(B) the aggregate amounts treated as qualified Louisiana storm and flood distribu-
tions received by such individual for all prior
taxable years.

(2) TREATMENT OF PLAN DISTRIBUTIONS.—If
a distribution to an individual would (without regard
to paragraph (1)) be a qualified Louisiana storm
and flood distribution, a plan shall not be treated as
violating any requirement of the Internal Revenue
Code of 1986 merely because the plan treats such
distribution as a qualified Louisiana storm and flood
distribution, unless the aggregate amount of such
distributions from all plans maintained by the em-
ployer (and any member of any controlled group
which includes the employer) to such individual ex-
ceeds $100,000.

(3) CONTROLLED GROUP.—For purposes of
paragraph (2), the term “controlled group” means
any group treated as a single employer under sub-
section (b), (c), (m), or (o) of section 414 of such
Code.

(e) AMOUNT DISTRIBUTED MAY BE REPAID.—

(1) IN GENERAL.—Any individual who receives
a qualified Louisiana storm and flood distribution
may, at any time during the 3-year period beginning
on the day after the date on which such distribution
was received, make one or more contributions in an
aggregate amount not to exceed the amount of such
distribution to an eligible retirement plan of which
such individual is a beneficiary and to which a roll-
over contribution of such distribution could be made
under section 402(c), 403(a)(4), 403(b)(8),
408(d)(3), or 457(e)(16) of such Code, as the case
may be.

(2) TREATMENT OF REPAYMENTS OF DISTRIBUTIONS FROM ELIGIBLE RETIREMENT PLANS OTHER THAN IRAS.—For purposes of such Code, if a con-
tribution is made pursuant to paragraph (1) with re-
spect to a qualified Louisiana storm and flood dis-
tribution from an eligible retirement plan other than
an individual retirement plan, then the taxpayer
shall, to the extent of the amount of the contribu-
tion, be treated as having received the qualified Lou-
isiana storm and flood distribution in an eligible roll-
over distribution (as defined in section 402(c)(4) of
such Code) and as having transferred the amount to
the eligible retirement plan in a direct trustee to
trustee transfer within 60 days of the distribution.

(3) TREATMENT OF REPAYMENTS FOR DISTRIBUTIONS FROM IRAS.—For purposes of such
Code, if a contribution is made pursuant to para-
graph (1) with respect to a qualified Louisiana
storm and flood distribution from an individual retirement plan (as defined by section 7701(a)(37) of such Code), then, to the extent of the amount of the contribution, the qualified Louisiana storm and flood distribution shall be treated as a distribution described in section 408(d)(3) of such Code and as having been transferred to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(d) DEFINITIONS.—For purposes of this section—

(1) QUALIFIED LOUISIANA STORM AND FLOODING DISTRIBUTION.—Except as provided in subsection (b), the term “qualified Louisiana storm and flooding distribution” means any distribution from an eligible retirement plan made on or after the applicable disaster date, to an individual whose principal residence on or after such date, is located in the Louisiana storm and flood disaster area and who has sustained an economic loss by reason of the severe storms and flooding giving rise to the Presidential declaration described in section 2(1).

(2) ELIGIBLE RETIREMENT PLAN.—The term “eligible retirement plan” shall have the meaning given such term by section 402(c)(8)(B) of such Code.
(c) Income Inclusion Spread Over 3-Year Period for Qualified Louisiana Storm and Flooding Distributions.—

(1) In General.—In the case of any qualified Louisiana storm and flood distribution, unless the taxpayer elects not to have this subsection apply for any taxable year, any amount required to be included in gross income for such taxable year shall be so included ratably over the 3-taxable-year period beginning with such taxable year.

(2) Special Rule.—For purposes of paragraph (1), rules similar to the rules of subparagraph (E) of section 408A(d)(3) of such Code shall apply.

(f) Special Rules.—

(1) Exemption of Distributions from Trustee to Trustee Transfer and Withholding Rules.—For purposes of sections 401(a)(31), 402(f), and 3405 of such Code, qualified Louisiana storm and flood distributions shall not be treated as eligible rollover distributions.

(2) Qualified Louisiana Storm and Flooding Distributions Treated as Meeting Plan Distribution Requirements.—For purposes of such Code, a qualified Louisiana storm and flood distribution shall be treated as meeting the require-
ments of sections 401(k)(2)(B)(i), 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A) of such Code.

SEC. 102. RECONTRIBUTIONS OF WITHDRAWALS FOR HOME PURCHASES CANCELED DUE TO THE LOUISIANA STORMS AND FLOODING.

(a) Recontributions.—

(1) In general.—Any individual who received a qualified distribution may, during the period beginning on the applicable disaster date, and ending on December 31, 2017, make one or more contributions in an aggregate amount not to exceed the amount of such qualified distribution to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Internal Revenue Code of 1986) of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(b)(8), or 408(d)(3) of such Code, as the case may be.

(2) Treatment of repayments.—Rules similar to the rules of paragraphs (2) and (3) of section 101(c) of this Act shall apply for purposes of this section.

(b) Qualified Distribution Defined.—For purposes of this section, the term “qualified distribution” means any distribution—
(1) described in section 401(k)(2)(B)(i)(IV),
403(b)(7)(A)(ii) (but only to the extent such dis-
tribution relates to financial hardship),
403(b)(11)(B), or 72(t)(2)(F) of such Code,

(2)(A) received after—

(i) February 10, 2016, and before Au-
gust 11, 2016, in the case of the disaster
specified in section 2(1)(A),

(ii) September 30, 2016, and before
April 1, 2017, in the case of the disaster
specified in section 2(1)(B),

(iii) August 7, 2017, and before Feb-
uary 8, 2018, in the case of the disaster
specified in section 2(1)(C), and

(B) which was to be used to purchase or con-
struct a principal residence in the Louisiana storm
and flood disaster area, but which was not so pur-
chased or constructed on account of the severe
storms and flooding giving rise to the Presidential
declaration described in section 2(1).

SEC. 103. LOANS FROM QUALIFIED PLANS FOR RELIEF RE-
LATING TO LOUISIANA STORMS AND FLOOD-
ING.

(a) INCREASE IN LIMIT ON LOANS NOT TREATED AS
DISTRIBUTIONS.—In the case of any loan from a qualified
employer plan (as defined under section 72(p)(4) of the Internal Revenue Code of 1986) to a qualified individual made after the date of enactment of this Act and before January 1, 2018—

(1) clause (i) of section 72(p)(2)(A) of such Code shall be applied by substituting “$100,000” for “$50,000”, and

(2) clause (ii) of such section shall be applied by substituting “the present value of the nonforfeitable accrued benefit of the employee under the plan” for “one-half of the present value of the nonforfeitable accrued benefit of the employee under the plan”.

(b) DELAY OF REPAYMENT.—In the case of a qualified individual with an outstanding loan on or after the date that is 5 days before the applicable disaster date, from a qualified employer plan (as defined in section 72(p)(4) of such Code)—

(1) if the due date pursuant to subparagraph (B) or (C) of section 72(p)(2) of such Code for any repayment with respect to such loan occurs during the period beginning on the date that is 5 days before the applicable disaster date, and ending on December 31, 2017, such due date shall be delayed for 1 year,
(2) any subsequent repayments with respect to
any such loan shall be appropriately adjusted to re-
reflect the delay in the due date under paragraph (1)
and any interest accruing during such delay, and

(3) in determining the 5-year period and the
term of a loan under subparagraph (B) or (C) of
section 72(p)(2) of such Code, the period described
in paragraph (1) shall be disregarded.

(e) QUALIFIED INDIVIDUAL.—For purposes of this
section, the term “qualified individual” means an indi-
vidual whose principal place of abode on the date that is
5 days before the applicable disaster date, is located in
the Louisiana storm and flood disaster area and who has
sustained an economic loss by reason of the severe storms
and flooding giving rise to the Presidential declaration de-
scribed in section 2(1).

SEC. 104. PROVISIONS RELATING TO PLAN AMENDMENTS.

(a) IN GENERAL.—If this section applies to any
amendment to any plan or annuity contract, such plan or
contract shall be treated as being operated in accordance
with the terms of the plan during the period described in
subsection (b)(2)(A).

(b) AMENDMENTS TO WHICH SECTION APPLIES.—
(1) In general.—This section shall apply to any amendment to any plan or annuity contract which is made—

   (A) pursuant to any amendment made by this title, or pursuant to any regulation issued by the Secretary of the Treasury or the Secretary of Labor under this title, and

   (B) on or before the last day of the first plan year beginning on or after January 1, 2018, or such later date as the Secretary of the Treasury may prescribe.

In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), subparagraph (B) shall be applied by substituting the date which is 2 years after the date otherwise applied under subparagraph (B).

(2) Conditions.—This section shall not apply to any amendment unless—

   (A) during the period—

      (i) beginning on the date the legislative or regulatory amendment described in paragraph (1)(A) takes effect (or in the case of a plan or contract amendment not required by such legislative or regulatory
amendment, the effective date specified by the plan), and

(ii) ending on the date described in paragraph (1)(B) (or, if earlier, the date the plan or contract amendment is adopted),

the plan or contract is operated as if such plan or contract amendment were in effect, and

(B) such plan or contract amendment applies retroactively for such period.

TITLE J—EMPLOYMENT RELIEF

SEC. 201. WORK OPPORTUNITY TAX CREDIT FOR LOUISIANA STORM AND FLOOD EMPLOYEES.

(a) IN GENERAL.—For purposes of section 51 of the Internal Revenue Code of 1986, a Louisiana storm and flood employee shall be treated as a member of a targeted group.

(b) LOUISIANA STORM AND FLOOD EMPLOYEE.—For purposes of this section, the term “Louisiana storm and flood employee” means—

(1) any individual who on the applicable disaster date, had a principal place of abode in the core disaster area and who is hired before January 1, 2019, for a position the principal place of employ-
ment of which is located in the core disaster area, and

(2) any individual who on such date had a principal place of abode in the core disaster area, who is displaced from such abode by reason of the severe storms and flooding giving rise to the Presidential declaration described in section 2(1), and who is hired during the period beginning on such date and ending on December 31, 2017.

(c) REASONABLE IDENTIFICATION ACCEPTABLE.—In lieu of the certification requirement under section 51(d)(13)(A) of such Code, an individual may provide to the employer reasonable evidence that the individual is a Louisiana storm and flood employee, and subparagraph (B) of such section shall be applied as if such evidence were a certification described in such subparagraph.

(d) SPECIAL RULES FOR DETERMINING CREDIT.—For purposes of applying subpart F of part IV of subchapter A of chapter 1 of such Code to wages paid or incurred to any Louisiana storm and flood employee—

(1) section 51(c)(4) of such Code shall not apply, and

(2) section 51(i)(2) of such Code shall not apply with respect to the first hire of such employee as a Louisiana storm and flood employee, unless
such employee was an employee of the employer on
the applicable disaster date.

SEC. 202. EMPLOYEE RETENTION CREDIT FOR EMPLOYERS

AFFECTED BY LOUISIANA STORMS AND
FLOODING.

(a) In General.—In the case of an eligible em-
ployer, there shall be allowed as a credit against the tax
imposed by chapter 1 of the Internal Revenue Code of
1986 for the taxable year an amount equal to 40 percent
of the qualified wages with respect to each eligible em-
ployee of such employer for such taxable year. For pur-
poses of the preceding sentence, the amount of qualified
wages which may be taken into account with respect to
any individual shall not exceed $6,000.

(b) Definitions.—For purposes of this section—

(1) Eligible Employer.—The term “eligible
employer” means any employer—

(A) which conducted an active trade or
business on the applicable disaster date, in a
core disaster area, and

(B) with respect to whom the trade or
business described in subparagraph (A) is inop-
erable on or after the applicable disaster date,
and before January 1, 2018, as a result of
damage sustained by reason of the severe
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storms and flooding giving rise to the Presidential declaration described in section 2(1).

(2) ELIGIBLE EMPLOYEE.—The term “eligible employee” means with respect to an eligible employer an employee whose principal place of employment on the applicable disaster date, with such eligible employer was in a core disaster area.

(3) QUALIFIED WAGES.—The term “qualified wages” means wages (as defined in section 51(c)(1) of such Code, but without regard to section 3306(b)(2)(B) of such Code) paid or incurred by an eligible employer with respect to an eligible employee on or after the applicable disaster date, and before January 1, 2018, which occurs during the period—

(A) beginning on the date on which the trade or business described in paragraph (1) first became inoperable at the principal place of employment of the employee immediately before the severe storms and flooding giving rise to the Presidential declaration described in section 2(1), and

(B) ending on the date on which such trade or business has resumed significant operations at such principal place of employment.
Such term shall include wages paid without regard to whether the employee performs no services, performs services at a different place of employment than such principal place of employment, or performs services at such principal place of employment before significant operations have resumed.

(c) CREDIT NOT ALLOWED FOR LARGE BUSINESSES.—The term “eligible employer” shall not include any trade or business for any taxable year if such trade or business employed an average of more than 200 employees on business days during the taxable year.

(d) CERTAIN RULES TO APPLY.—For purposes of this section, rules similar to the rules of sections 51(i)(1), 52, and 280C(a) of such Code shall apply.

(e) EMPLOYEE NOT TAKEN INTO ACCOUNT MORE THAN ONCE.—An employee shall not be treated as an eligible employee for purposes of this section for any period with respect to any employer if such employer is allowed a credit under section 51 of such Code with respect to such employee for such period.

(f) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—The credit allowed under this section shall be added to the current year business credit under section 38(b) of such Code and shall be treated as a credit allowed
under subpart D of part IV of subchapter A of chapter 1 of such Code.

TITLE K—CHARITABLE GIVING INCENTIVES

SEC. 301. TEMPORARY SUSPENSION OF LIMITATIONS ON CHARITABLE CONTRIBUTIONS.

(a) In General.—Except as otherwise provided in subsection (b), section 170(b) of the Internal Revenue Code of 1986 shall not apply to qualified contributions and such contributions shall not be taken into account for purposes of applying subsections (b) and (d) of section 170 of such Code to other contributions.

(b) Treatment of Excess Contributions.—For purposes of section 170 of such Code—

(1) Individuals.—In the case of an individual—

(A) Limitation.—Any qualified contribution shall be allowed only to the extent that the aggregate of such contributions does not exceed the excess of the taxpayer’s contribution base (as defined in subparagraph (G) of section 170(b)(1) of such Code) over the amount of all other charitable contributions allowed under such section 170(b)(1).
(B) CARRYOVER.—If the aggregate amount of qualified contributions made in the contribution year (within the meaning of section 170(d)(1) of such Code) exceeds the limitation of subparagraph (A), such excess shall be added to the excess described in the portion of subparagraph (A) of such section which precedes clause (i) thereof for purposes of applying such section.

(2) CORPORATIONS.—In the case of a corporation—

(A) LIMITATION.—Any qualified contribution shall be allowed only to the extent that the aggregate of such contributions does not exceed the excess of the taxpayer’s taxable income (as determined under paragraph (2) of section 170(b) of such Code) over the amount of all other charitable contributions allowed under such paragraph.

(B) CARRYOVER.—Rules similar to the rules of paragraph (1)(B) shall apply for purposes of this paragraph.

(e) EXCEPTION TO OVERALL LIMITATION ON ITEMIZED DEDUCTIONS.—So much of any deduction allowed under section 170 of such Code as does not exceed
the qualified contributions paid during the taxable year shall not be treated as an itemized deduction for purposes of section 68 of such Code.

(d) QUALIFIED CONTRIBUTIONS.—

(1) IN GENERAL.—For purposes of this section, the term “qualified contribution” means any charitable contribution (as defined in section 170(c) of such Code)—

(A) paid during the period beginning on the applicable disaster date, and ending on August 31, 2017, in cash to an organization described in section 170(b)(1)(A) of such Code (other than an organization described in section 509(a)(3) of such Code),

(B) in the case of a contribution paid by a corporation, such contribution is for relief efforts related to the severe storms and flooding giving rise to the Presidential declaration described in section 2(1), and

(C) with respect to which the taxpayer has elected the application of this section.

(2) EXCEPTION.—Such term shall not include a contribution if the contribution is for establishment of a new, or maintenance in an existing, segregated fund or account with respect to which the donor (or
any person appointed or designated by such donor) has, or reasonably expects to have, advisory privileges with respect to distributions or investments by reason of the donor’s status as a donor.

(3) Application of election to partnerships and S corporations.—In the case of a partnership or S corporation, the election under paragraph (1)(C) shall be made separately by each partner or shareholder.

SEC. 302. ADDITIONAL EXEMPTION FOR HOUSING LOUISIANA STORM AND FLOOD DISPLACED INDIVIDUALS.

(a) In general.—In the case of taxable years of a natural person beginning in 2016 or 2017, for purposes of the Internal Revenue Code of 1986, taxable income shall be reduced by $600 for each Louisiana storm and flood displaced individual of the taxpayer for the taxable year.

(b) Limitations.—

(1) Dollar limitation.—The reduction under subsection (a) shall not exceed $2,500, reduced by the amount of the reduction under this section for all prior taxable years.

(2) Individuals taken into account only once.—An individual shall not be taken into ac-
count under subsection (a) if such individual was taken into account under such subsection by the taxpayer for any prior taxable year.

(3) Identifying Information Required.—An individual shall not be taken into account under subsection (a) for a taxable year unless the taxpayer identification number of such individual is included on the return of the taxpayer for such taxable year.

(e) Louisiana Storm and Flood Displaced Individual.—For purposes of this section, the term “Louisiana storm and flood displaced individual” means, with respect to any taxpayer for any taxable year, any natural person if—

(1) such person’s principal place of abode on the applicable disaster date, was in the Louisiana storm and flood disaster area,

(2)(A) in the case of such an abode located in the core disaster area, such person is displaced from such abode, or

(B) in the case of such an abode located outside of the core disaster area, such person is displaced from such abode, and—

(i) such abode was damaged by the severe storms and flooding giving rise to the Presidential declaration described in section 2(1), or
(ii) such person was evacuated from such abode by reason of such storms and flooding, and

(3) such person is provided housing free of charge by the taxpayer in the principal residence of the taxpayer for a period of 60 consecutive days which ends in such taxable year.

Such term shall not include the spouse or any dependent of the taxpayer.

(d) COMPENSATION FOR HOUSING.—No deduction shall be allowed under this section if the taxpayer receives any rent or other amount (from any source) in connection with the providing of such housing.

SEC. 303. INCREASE IN STANDARD MILEAGE RATE FOR CHARITABLE USE OF VEHICLES.

Notwithstanding section 170(i) of the Internal Revenue Code of 1986, for purposes of computing the deduction under section 170 of such Code for use of a vehicle described in subsection (f)(12)(E)(i) of such section for provision of relief during the period beginning on the applicable disaster date, and ending on December 31, 2017, and related to the severe storms and flooding giving rise to the Presidential declaration described in section 2(1), the standard mileage rate shall be 70 percent of the standard mileage rate in effect under section 162(a) of such
Code at the time of such use. Any increase under this section shall be rounded to the next highest cent.

SEC. 304. MILEAGE REIMBURSEMENTS TO CHARITABLE VOLUNTEERS EXCLUDED FROM GROSS INCOME.

(a) In General.—For purposes of the Internal Revenue Code of 1986, gross income of an individual for taxable years ending on or after the applicable disaster date, does not include amounts received, from an organization described in section 170(c) of such Code, as reimbursement of operating expenses with respect to use of a passenger automobile for the benefit of such organization in connection with providing relief during the period beginning on the applicable disaster date, and ending on December 31, 2017, and relating to the severe storms and flooding giving rise to the Presidential declaration described in section 2(1). The preceding sentence shall apply only to the extent that the expenses which are reimbursed would be deductible under chapter 1 of such Code if section 274(d) of such Code were applied—

(1) by using the standard business mileage rate in effect under section 162(a) at the time of such use, and
(2) as if the individual were an employee of an organization not described in section 170(c) of such Code.

(b) Application to Volunteer Services Only.—Subsection (a) shall not apply with respect to any expenses relating to the performance of services for compensation.

(c) No Double Benefit.—No deduction or credit shall be allowed under any other provision of such Code with respect to the expenses excludable from gross income under subsection (a).

SEC. 305. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF BOOK INVENTORIES TO PUBLIC SCHOOLS.

(a) In General.—For purposes of section 170 of the Internal Revenue Code of 1986, subsection (e)(3)(D) shall be applied—

(1) as if clause (iv) thereof applied to the period beginning on the applicable disaster date and ending on December 31, 2017, and

(2) to a qualified book contribution to a public school located in the core disaster area.

(b) Qualified Book Contribution.—For purposes of subsection (a), the term “qualified book contribution” has the meaning given such term by section 170(e)(3)(D)(ii) of the Internal Revenue Code of 1986.
TITLE L—ADDITIONAL TAX
RELIEF PROVISIONS

SEC. 401. EXCLUSIONS OF CERTAIN CANCELLATIONS OF IN-DEBTEDNESS BY REASON OF LOUISIANA STORMS AND FLOODING.

(a) In General.—For purposes of the Internal Revenue Code of 1986, gross income shall not include any amount which (but for this section) would be includible in gross income by reason of the discharge (in whole or in part) of indebtedness of a natural person described in subsection (b) by an applicable entity (as defined in section 6050P(c)(1) of such Code).

(b) Persons Described.—A natural person is described in this subsection if the principal place of abode of such person on the applicable disaster date, was located—

(1) in the core disaster area, or

(2) in the Louisiana storm and flood disaster area (but outside the core disaster area) and such person suffered economic loss by reason of the severe storms and flooding giving rise to the Presidential declaration described in section 2(1).

(c) Exceptions.—
(1) BUSINESS INDEBTEDNESS.—Subsection (a) shall not apply to any indebtedness incurred in connection with a trade or business.

(2) REAL PROPERTY OUTSIDE CORE DISASTER AREA.—Subsection (a) shall not apply to any discharge of indebtedness to the extent that real property constituting security for such indebtedness is located outside of the Louisiana storm and flood disaster area.

(d) DENIAL OF DOUBLE BENEFIT.—For purposes of the Internal Revenue Code of 1986, the amount excluded from gross income under subsection (a) shall be treated in the same manner as an amount excluded under section 108(a) of such Code.

(e) EFFECTIVE DATE.—This section shall apply to discharges made on or after the applicable disaster date, and before January 1, 2018.

SEC. 402. SUSPENSION OF CERTAIN LIMITATIONS ON PERSONAL CASUALTY LOSSES.

Paragraphs (1) and (2)(A) of section 165(h) of the Internal Revenue Code of 1986 shall not apply to losses described in section 165(c)(3) of such Code which arise in the Louisiana storm and flood disaster area on or after the applicable disaster date, and which are attributable to the severe storms and flooding giving rise to the Presi-
dential declaration described in section 2(1). In the case
of any other losses, section 165(h)(2)(A) of such Code
shall be applied without regard to the losses referred to
in the preceding sentence.

SEC. 403. REQUIRED EXERCISE OF AUTHORITY UNDER SEC-
TION 7508A FOR TAX RELIEF RELATING TO
LOUISIANA STORMS AND FLOODING.

(a) IN GENERAL.—In the case of any taxpayer deter-
mined by the Secretary of the Treasury to be affected by
the Presidentially declared disaster relating to the severe
storms and flooding giving rise to the Presidential declara-
tion described in section 2(1)—

(1) any relief provided by the Secretary of the
Treasury under section 7508A of the Internal Rev-
ue Code of 1986 shall be for a period ending not
earlier than August 31, 2017, and shall be treated
as applying to the filing of returns relating to, and
the payment of, employment and excise taxes; and

(2) with respect to any income tax liability, the
Secretary of the Treasury shall abate any interest,
penalty, additional amount, or addition to tax which
accrued during the period beginning on August 11,
(b) **EFFECTIVE DATE.**—Subsection (a) shall apply for any period for performing an act which has not expired before the applicable disaster date.

**SEC. 404. SPECIAL RULES FOR MORTGAGE REVENUE BONDS RELATING TO LOUISIANA STORMS AND FLOODING.**

(a) **IN GENERAL.**—In the case of financing provided with respect to a qualified Louisiana storm and flood recovery residence, section 143(d) of the Internal Revenue Code of 1986 shall be applied as if such residence were a targeted area residence.

(b) **QUALIFIED LOUISIANA STORMS AND FLOODING RECOVERY RESIDENCE.**—For purposes of this section, the term “qualified Louisiana storm and flood recovery residence” means—

(1) any residence in the core disaster area, and

(2) any other residence if—

(A) such other residence is located in the same State as the principal residence referred to in subparagraph (B), and

(B) the mortgagor with respect to such other residence owned a principal residence on the applicable disaster date, which—

(i) was located in the Louisiana storm and flood disaster area, and
(ii) was rendered uninhabitable by reason of the severe storms and flooding giving rise to the Presidential declaration described in section 2(1).

(c) Special Rule for Home Improvement Loans.—In the case of any loan with respect to a residence in the Louisiana storm and flood disaster area, section 143(k)(4) of such Code shall be applied by substituting $150,000 for the dollar amount contained therein to the extent such loan is for the repair of damage by reason of the severe storms and flooding giving rise to the Presidential declaration described in section 2(1).

(d) Application.—Subsection (a) shall not apply to financing provided after December 31, 2018.

SEC. 405. Extension of Replacement Period for Non-Recognition of Gain for Property Located in Louisiana Storm and Flood Disaster Area.

Section 1033(a)(2)(B)(i) of the Internal Revenue Code of 1986 shall be applied by substituting “5 years” for “2 years” with respect to property in the Louisiana storm and flood disaster area which is compulsorily or involuntarily converted on or after the applicable disaster date, by reason of the severe storms and flooding giving rise to the Presidential declaration described in section
2(1), but only if substantially all of the use of the replace-
ment property is in such area.

SEC. 406. SPECIAL RULE FOR DETERMINING EARNED IN-
COME.

(a) IN GENERAL.—In the case of a qualified indi-
vidual, if the earned income of the taxpayer for the taxable
year which includes the applicable disaster date, is less
than the earned income of the taxpayer for the preceding
taxable year, the credits allowed under sections 24(d) and
32 of the Internal Revenue Code of 1986 may, at the elec-
tion of the taxpayer, be determined by substituting—

(1) such earned income for the preceding tax-
able year, for

(2) such earned income for the taxable year
which includes the applicable disaster date.

(b) QUALIFIED INDIVIDUAL.—For purposes of this
section, the term “qualified individual” means any indi-
vidual whose principal place of abode on the applicable dis-
aster date, was located—

(1) in the core disaster area, or

(2) in the Louisiana storm and flood disaster
area (but outside the core disaster area) and such
individual was displaced from such principal place of
abode by reason of the severe storms and flooding
giving rise to the Presidential declaration described in section 2(1).

(c) **EARNED INCOME.**—For purposes of this section, the term “earned income” has the meaning given such term under section 32(c) of such Code.

(d) **SPECIAL RULES.**—

(1) **APPLICATION TO JOINT RETURNS.**—For purposes of subsection (a), in the case of a joint return for a taxable year which includes the applicable disaster date—

(A) such subsection shall apply if either spouse is a qualified individual, and

(B) the earned income of the taxpayer for the preceding taxable year shall be the sum of the earned income of each spouse for such preceding taxable year.

(2) **UNIFORM APPLICATION OF ELECTION.**—Any election made under subsection (a) shall apply with respect to both section 24(d) and section 32 of such Code.

(3) **ERRORS TREATED AS MATHEMATICAL ERROR.**—For purposes of section 6213 of such Code, an incorrect use on a return of earned income pursuant to subsection (a) shall be treated as a mathematical or clerical error.
(4) No effect on determination of gross income, etc.—Except as otherwise provided in this section, the Internal Revenue Code of 1986 shall be applied without regard to any substitution under subsection (a).

SEC. 407. SECRETARIAL AUTHORITY TO MAKE ADJUSTMENTS REGARDING TAXPAYER AND DEPENDENCY STATUS.

With respect to taxable years beginning in 2016 or 2017, the Secretary of the Treasury or the Secretary’s delegate may make such adjustments in the application of the internal revenue laws as may be necessary to ensure that taxpayers do not lose any deduction or credit or experience a change of filing status by reason of temporary relocations by reason of the severe storms and flooding giving rise to the Presidential declaration described in section 2(1). Any adjustments made under the preceding sentence shall ensure that an individual is not taken into account by more than one taxpayer with respect to the same tax benefit.

SEC. 408. LOW-INCOME HOUSING CREDIT.

(a) Additional Housing Credit Dollar Amount.—

(1) In general.—For purposes of section 42 of the Internal Revenue Code of 1986, in the case
of calendar years 2017, 2018, and 2019, the State
housing credit ceiling of Louisiana shall be increased
by the lesser of—

(A) the aggregate housing credit dollar
amount allocated by the State housing credit
agency of Louisiana to buildings located in the
Louisiana storm and flood disaster area for
such calendar year, or

(B) the Louisiana storm and flood housing
amount for such State for such calendar year.

(2) LOUISIANA STORM AND FLOOD HOUSING
AMOUNT.—For purposes of paragraph (1), the term
“Louisiana storm and flood housing amount”
means, for any calendar year, the amount equal to
the product of $18.00 multiplied by the portion of
the Louisiana population which is in the Louisiana
storm and flood disaster area (as determined on the
basis of the most recent census estimate of resident
population released by the Bureau of the Census be-
fore August 28, 2016).

(3) ALLOCATIONS TREATED AS MADE FIRST
FROM ADDITIONAL ALLOCATION AMOUNT FOR PUR-
POSES OF DETERMINING CARRYOVER.—For pur-
poses of determining the unused State housing cred-
it ceiling under section 42(h)(3)(C) of such Code for
any calendar year, any increase in the State housing credit ceiling under paragraph (1) shall be treated as an amount described in clause (ii) of such section.

(b) ADDITIONAL HOUSING CREDIT DOLLAR AMOUNT FOR LOUISIANA.—For purposes of section 42 of such Code, in the case of calendar years 2017 and 2018, the State housing credit ceiling of Louisiana shall each be increased by $3,500,000.

(e) DIFFICULT DEVELOPMENT AREA.—

(1) IN GENERAL.—For purposes of section 42 of such Code, in the case of property placed in service during the period beginning on January 1, 2017, and ending on December 31, 2021, the Louisiana storm and flood disaster area—

(A) shall be treated as difficult development areas designated under subclause (I) of section 42(d)(5)(B)(iii) of such Code, and

(B) shall not be taken into account for purposes of applying the limitation under subclause (II) of such section.

(2) APPLICATION.—Paragraph (1) shall apply only to—

(A) housing credit dollar amounts allocated during the period beginning on January 1, 2017, and ending on December 31, 2019, and
(B) buildings placed in service during the
period described in paragraph (1) to the extent
that paragraph (1) of section 42(h) does not
apply to any building by reason of paragraph
(4) thereof, but only with respect to bonds
issued after December 31, 2016.

(d) Special Rule for Applying Income Tests.—
In the case of property placed in service—
(1) during 2017, 2018, or 2019,
(2) in the Louisiana storm and flood disaster
area, and
(3) in a nonmetropolitan area (as defined in
section 42(d)(5)(B)(iv)(IV)),
section 42 of such Code shall be applied by substituting
“national nonmetropolitan median gross income (deter-
mined under rules similar to the rules of section
142(d)(2)(B))” for “area median gross income” in sub-
paragraphs (A) and (B) of section 42(g)(1) of such Code.

(e) Definitions.—Any term used in this section
which is also used in section 42 shall have the same mean-
ing as when used in such section.
SEC. 409. APPLICATION OF NEW MARKETS TAX CREDIT TO INVESTMENTS IN COMMUNITY DEVELOPMENT ENTITIES SERVING LOUISIANA STORM AND FLOOD DISASTER AREA.

For purposes of section 45D of the Internal Revenue Code of 1986—

(1) a qualified community development entity shall be eligible for an allocation under subsection (f)(2) thereof of the increase in the new markets tax credit limitation described in paragraph (2) only if a significant mission of such entity is the recovery and redevelopment of the Louisiana storm and flood disaster area,

(2) the new markets tax credit limitation otherwise determined under subsection (f)(1) thereof shall be increased by an amount equal to—

(A) $300,000,000 for 2016 and 2017, to be allocated among qualified community development entities to make qualified low-income community investments within the Louisiana storm and flood disaster area, and

(B) $400,000,000 for 2018, to be so allocated, and

(3) subsection (f)(3) thereof shall be applied separately with respect to the amount of the increase under paragraph (2).
SEC. 410. TAX-EXEMPT BOND FINANCING.

(a) IN GENERAL.—For purposes of the Internal Revenue Code of 1986—

(1) any qualified Louisiana storm and flood disaster area bond described in paragraph (2)(A)(i) shall be treated as an exempt facility bond, and

(2) any qualified Louisiana storm and flood disaster area bond described in paragraph (2)(A)(ii) shall be treated as a qualified mortgage bond.

(b) QUALIFIED LOUISIANA STORM AND FLOOD DISASTER AREA BOND.—For purposes of this subsection, the term “qualified Louisiana storm and flood disaster area bond” means any bond issued as part of an issue if—

(1)(A) 95 percent or more of the net proceeds (as defined in section 150(a)(3) of such Code) of such issue are to be used for qualified project costs, or

(B) such issue meets the requirements of a qualified mortgage issue, except as otherwise provided in this subsection,

(2) such bond is issued by Louisiana, or any political subdivision thereof,

(3) such bond is designated for purposes of this section by—

(A) in the case of a bond which is required under State law to be approved by the bond
commission of Louisiana, such bond commis-

(B) in the case of any other bond, the Gov-

ernor of Louisiana,

(4) such bond is issued after the date of the en-

actment of this section and before January 1, 2023,

and

(5) no portion of the proceeds of such issue is

to be used to provide any property described in sec-

tion 144(c)(6)(B) of such Code.

(c) LIMITATION ON BONDS.—

(1) AGGREGATE AMOUNT DESIGNATED.—The

maximum aggregate face amount of bonds which

may be designated under this subsection with re-

spect to any State shall not exceed the product of

$2,500 multiplied by the portion of the Louisiana

population which is in the Louisiana storm and flood

disaster area (as determined on the basis of the

most recent census estimate of resident population

released by the Bureau of the Census before August

28, 2016).

(2) MOVABLE PROPERTY.—No bonds shall be

issued which are to be used for movable fixtures and

equipment.
(d) QUALIFIED PROJECT COSTS.—For purposes of this subsection, the term “qualified project costs” means—

(1) the cost of any qualified residential rental project (as defined in section 142(d) of such Code) located in the Louisiana storm and flood disaster area, and

(2) the cost of acquisition, construction, reconstruction, and renovation of—

(A) nonresidential real property (including fixed improvements associated with such property) located in the Louisiana storm and flood disaster area, and

(B) public utility property (as defined in section 168(i)(10) of such Code) located in the Louisiana storm and flood disaster area.

(e) SPECIAL RULES.—In applying this title to any qualified Louisiana storm and flood disaster area bond, the following modifications shall apply:

(1) Section 142(d)(1) of such Code (defining qualified residential rental project) shall be applied—

(A) by substituting “60 percent” for “50 percent” in subparagraph (A) thereof, and
(B) by substituting “70 percent” for “60 percent” in subparagraph (B) thereof.

(2) Section 143 of such Code (relating to mortgage revenue bonds; qualified mortgage bond and qualified veterans’ mortgage bond) shall be applied—

(A) only with respect to owner-occupied residences in the Louisiana storm and flood disaster area,

(B) by treating any such residence in the Louisiana storm and flood disaster area as a targeted area residence,

(C) by applying subsection (f)(3) thereof without regard to subparagraph (A) thereof, and

(D) by substituting “$150,000” for “$15,000” in subsection (k)(4) thereof.

(3) Except as provided in section 143 of such Code, repayments of principal on financing provided by the issue of which such bond is a part may not be used to provide financing.

(4) Section 146 of such Code (relating to volume cap) shall not apply.

(5) Section 147(d)(2) of such Code (relating to acquisition of existing property not permitted) shall
be applied by substituting “50 percent” for “15 percent” each place it appears.

(6) Section 148(f)(4)(C) of such Code (relating to exception from rebate for certain proceeds to be used to finance construction expenditures) shall apply to the available construction proceeds of bonds which are part of an issue described in subsection (b)(1)(A).

(7) Section 57(a)(5) of such Code (relating to tax-exempt interest) shall not apply.

(f) SPECIAL RULE FOR REPAIRS AND RECONSTRUCTIONS.—

(1) IN GENERAL.—For purposes of section 143 of the Internal Revenue Code of 1986 and this section, any qualified Louisiana storm and flood disaster area repair or reconstruction shall be treated as a qualified rehabilitation.

(2) QUALIFIED LOUISIANA STORM AND FLOOD DISASTER AREA REPAIR OR RECONSTRUCTION.—For purposes of subparagraph (A), the term “qualified Louisiana storm and flood disaster area repair or reconstruction” means any repair of damage caused by the severe storms and flooding giving rise to the Presidential declaration described in section 2(1) (or reconstruction of such building in the case of dam-
age constituting destruction) if the expenditures for such repair or reconstruction are 25 percent or more of the mortgagor’s adjusted basis in the residence. For purposes of the preceding sentence, the mortgagor’s adjusted basis shall be determined as of the completion of the repair or reconstruction or, if later, the date on which the mortgagor acquires the residence.

(3) TERMINATION.—This paragraph shall apply only to owner-financing provided after the date of the enactment of this subsection and before January 1, 2023.

SEC. 411. EXPENSING FOR CERTAIN DEMOLITION AND CLEAN-UP COSTS.

(a) IN GENERAL.—A taxpayer may elect to treat 50 percent of any qualified Louisiana storm and flood disaster area clean-up cost as an expense which is not chargeable to capital account. Any cost so treated shall be allowed as a deduction for the taxable year in which such cost is paid or incurred.

(b) QUALIFIED LOUISIANA STORM AND FLOOD DISASTER AREA CLEAN-UP COST.—For purposes of this subsection, the term “qualified Louisiana storm and flood disaster area clean-up cost” means any amount paid or incurred during the period beginning on the applicable dis-
aster date, and ending on December 31, 2018, for the re-
moval of debris from, or the demolition of structures on,
real property which is located in the Louisiana storm and
flood disaster area and which is—

(1) held by the taxpayer for use in a trade or
business or for the production of income, or

(2) property described in section 1221(a)(1) in
the hands of the taxpayer.

For purposes of the preceding sentence, amounts paid or
incurred shall be taken into account only to the extent that
such amount would (but for subsection (a)) be chargeable
to capital account.

SEC. 412. EXTENSION OF EXPENSING FOR ENVIRON-
MENTAL REMEDIATION COSTS.

With respect to any qualified environmental remedi-
ation expenditure (as defined in section 198(b)) paid or
incurred on or after the applicable disaster date, in con-
nection with a qualified contaminated site located in the
Louisiana storm and flood disaster area, section 198 (re-
lating to expensing of environmental remediation costs)
shall be applied—

(1) in the case of expenditures paid or incurred
on or after the applicable disaster date, and before
January 1, 2019, by substituting “December 31,
2018” for the date contained in section 198(h), and
(2) except as provided in section 198(d)(2), by treating petroleum products (as defined in section 4612(a)(3)) as a hazardous substance.

SEC. 413. TREATMENT OF NET OPERATING LOSSES ATTRIBUTABLE TO LOUISIANA STORM AND FLOOD DISASTER AREA LOSSES.

(a) IN GENERAL.—If a portion of any net operating loss of the taxpayer for any taxable year is a qualified Louisiana storm and flood disaster area loss, the following rules shall apply:

(1) EXTENSION OF CARRYBACK PERIOD.—Section 172(b)(1) of the Internal Revenue Code of 1986 shall be applied with respect to such portion—

(A) by substituting “5 taxable years” for “2 taxable years” in subparagraph (A)(i) thereof, and

(B) by not taking such portion into account in determining any eligible loss of the taxpayer under subparagraph (F) thereof for the taxable year.

(2) SUSPENSION OF 90 PERCENT AMT LIMITATION.—Section 56(d)(1) of such Code shall be applied by increasing the amount determined under subparagraph (A)(ii)(I) thereof by the sum of the
carrybacks and carryovers of any net operating loss attributable to such portion.

(b) Qualified Louisiana Storm and Flood Disaster Area Loss.—

(1) In General.—For purposes of subsection (a), the term “qualified Louisiana storm and flood disaster area loss” means the lesser of—

(A) the excess of—

(i) the net operating loss for such taxable year, over

(ii) the specified liability loss for such taxable year to which a 10-year carryback applies under section 172(b)(1)(C) of such Code, or

(B) the aggregate amount of the following deductions to the extent taken into account in computing the net operating loss for such taxable year:

(i) Any deduction for any qualified Louisiana storm and flood disaster area casualty loss.

(ii) Any deduction for moving expenses paid or incurred after the applicable disaster date, and before January 1, 2019, and allowable under this chapter to any
taxpayer in connection with the employment of any individual—

(I) whose principal place of abode was located in the Louisiana storm and flood disaster area before the applicable disaster date,

(II) who was unable to remain in such abode as the result of the severe storms and flooding giving rise to the Presidential declaration described in section 2(1), and

(III) whose principal place of employment with the taxpayer after such expense is located in the Louisiana storm and flood disaster area.

For purposes of this subparagraph, the term “moving expenses” has the meaning given such term by section 217(b) of such Code, except that the taxpayer’s former residence and new residence may be the same residence if the initial vacating of the residence was as the result of the severe storms and flooding giving rise to the Presidential declaration described in section 2(1).
(iii) Any deduction allowable under this chapter for expenses paid or incurred on or after the applicable disaster date, and before January 1, 2019, to temporarily house any employee of the taxpayer whose principal place of employment is in the Louisiana storm and flood disaster area.

(iv) Any deduction for depreciation (or amortization in lieu of depreciation) allowable under this chapter with respect to any qualified Louisiana storm and flood disaster area property for the taxable year such property is placed in service.

(v) Any deduction allowable under this chapter for repair expenses (including expenses for removal of debris) paid or incurred on or after the applicable disaster date, and before January 1, 2019, with respect to any damage attributable to the severe storms and flooding giving rise to the Presidential declaration described in section 2(1) and in connection with property which is located in the Louisiana storm and flood disaster area.
(2) QUALIFIED LOUISIANA STORM AND FLOOD
DISASTER AREA PROPERTY.—For purposes of this
subsection—

(A) IN GENERAL.—The term “qualified
Louisiana storm and flood disaster area prop-
erty” means property—

(i)(I) which is described in section
168(k)(2)(A)(i) of the Internal Revenue
Code of 1986, or

(II) which is nonresidential real prop-
erty or residential rental property,

(ii) substantially all of the use of
which is in the Louisiana storm and flood
disaster area and is in the active conduct
of a trade or business by the taxpayer in
such area,

(iii) the original use of which in the
Louisiana storm and flood disaster area
commences with the taxpayer on or after
the applicable disaster date,

(iv) which is acquired by the taxpayer
by purchase (as defined in section 179(d)
of such Code) on or after the applicable
disaster date, but only if no written bind-
ing contract for the acquisition was in ef-
fect before the applicable disaster date,
and

(v) which is placed in service by the
taxpayer on or before December 31, 2018
(December 31, 2019, in the case of non-
residential real property and residential
rental property).

(B) Exceptions.—

(i) Alternative Depreciation
Property.—Such term shall not include
any property described in section
168(k)(2)(D) of such Code.

(ii) Tax-Exempt Bond-Financed
Property.—Such term shall not include
any property any portion of which is fi-
nanced with the proceeds of any obligation
the interest on which is exempt from tax
under section 103 of such Code.

(iii) Qualified Revitalization
Buildings.—Such term shall not include
any qualified revitalization building with
respect to which the taxpayer has elected
the application of paragraph (1) or (2) of
section 1400I(a) of such Code.
(c) QUALIFIED LOUISIANA STORM AND FLOOD AREA

CASUALTY LOSS.—

(1) IN GENERAL.—For purposes of paragraph (1)(B)(i), the term “qualified Louisiana storm and flood area casualty loss” means any uncompensated section 1231 loss (as defined in section 1231(a)(3)(B) of such Code) of property located in the Louisiana storm and flood disaster area, if—

(A) such loss is allowed as a deduction under section 165 of such Code for the taxable year, and

(B) such loss is by reason of the storms and flooding giving rise to the Presidential declaration described in section 2(1).

(2) REDUCTION FOR GAINS FROM IN VOLUNTARY CONVERSION.—The amount of qualified Louisiana storm and flood area casualty loss which would (but for this paragraph) be taken into account under paragraph (1) for any taxable year shall be reduced by the amount of any gain recognized by the taxpayer for such year from the involuntary conversion by reason of the storms and flooding giving rise to the Presidential declaration described in section 2(1) of property located in the Louisiana storm and flood disaster area.
(3) Coordination with general disaster loss rules.—Section 165(i) of such Code shall not apply to any qualified Louisiana storm and flood disaster area casualty loss to the extent such loss is taken into account under this subsection.

(4) Special rules.—For purposes of paragraph (1), rules similar to the rules of paragraphs (2) and (3) of section 172(i) of such Code shall apply with respect to such portion.

SEC. 414. INCREASED EXPENSING FOR QUALIFIED TIMBER PROPERTY.

(a) In general.—In the case of qualified timber property any portion of which is located in the Louisiana storm and flood disaster area, the limitation under subparagraph (B) of section 194(b)(1) of such Code shall be increased by the lesser of—

(1) the limitation which would (but for this section) apply under such subparagraph, or

(2) the amount of reforestation expenditures (as defined in section 194(c)(3) of such Code) paid or incurred by the taxpayer with respect to such qualified timber property during the specified portion of the taxable year.

(b) Definitions.—For purposes of this subsection—
(1) **SPECIFIED PORTION.**—The term “specified portion” means that portion of the taxable year which is on or after the applicable disaster date, and before January 1, 2019.

(2) **QUALIFIED TIMBER PROPERTY.**—The term “qualified timber property” has the meaning given such term in section 194(c)(1) of such Code.

**SEC. 415. DISASTER LOSS CARRYBACK.**

(a) **IN GENERAL.**—In the case of a loss occurring in the Louisiana storm and flood disaster area and attributable to the severe storms and flooding giving rise to the Presidential declaration described in section 2(1), at the election of the taxpayer, section 165(i)(1) of the Internal Revenue Code of 1986 shall be applied by substituting “any of the 3 taxable years preceding” for “the taxable year immediately preceding”.

(b) **SPECIAL RULES.**—

(1) **DETERMINED WITHOUT REGARD TO ADJUSTED GROSS INCOME.**—Any loss described in subsection (a) shall be determined for the taxable year without regard to section 165(h)(2)(A) of such Code.

(2) **TREATED AS SALE OR EXCHANGE.**—Notwithstanding section 165(h)(2)(B) of such Code, any loss described in subsection (a) shall be treated as a loss from a sale or exchange of a capital asset.
SEC. 416. HOUSING RELIEF FOR INDIVIDUALS AFFECTED
BY LOUISIANA STORMS AND FLOODING.

(a) Exclusion of Employer-Provided Housing
for Individual Affected by Louisiana Storms and
FLOODING.—

(1) In General.—Gross income of a qualified
employee shall not include the value of any lodging
furnished in kind to such employee (and such em-
ployee’s spouse or any of such employee’s depend-
ents) by or on behalf of a qualified employer for any
month during the taxable year.

(2) Limitation.—The amount which may be
excluded under paragraph (1) for any month for
which lodging is furnished during the taxable year
shall not exceed $600.

(3) Treatment of Exclusion.—The exclu-
sion under paragraph (1) shall be treated as an ex-
clusion under section 119 of such Code (other than
for purposes of sections 3121(a)(19) and
3306(b)(14) of such Code).

(b) Employer Credit for Housing Employees
Affected by Louisiana Storms and Flooding.—For
purposes of section 38, in the case of a qualified employer,
the Louisiana storm and flood housing credit for any
month during the taxable year is an amount equal to 30
percent of any amount which is excludable from the gross
income of a qualified employee of such employer under subsection (a) and not otherwise excludable under section 119 of such Code.

(c) QUALIFIED EMPLOYEE.—For purposes of this section, the term “qualified employee” means, with respect to any month, an individual—

(1) who had a principal residence (as defined in section 121 of such Code) in the Louisiana storm and flood disaster area on the applicable disaster date, and

(2) who performs substantially all employment services—

(A) in the Louisiana storm and flood disaster area, and

(B) for the qualified employer which furnishes lodging to such individual.

(d) QUALIFIED EMPLOYER.—For purposes of this section, the term “qualified employer” means any employer with a trade or business located in the Louisiana storm and flood disaster area.

(e) CERTAIN RULES TO APPLY.—For purposes of this subsection, rules similar to the rules of sections 51(i)(1) and 52 of such Code shall apply.

(f) APPLICATION OF SECTION.—This section shall apply to lodging furnished during the period—
(1) beginning on the first day of the first month beginning after the date of the enactment of this section, and

(2) ending on the date which is 6 months after the first day described in paragraph (1).

(g) TREATED AS PART OF GENERAL BUSINESS CREDIT.—The Louisiana storm and flood housing credit determined under subsection (b) shall be treated as listed in section 38(b) of the Internal Revenue Code of 1986.