

ESTIMATED REVENUE EFFECTS OF H.R. 3786,
THE "KATRINA EMERGENCY TAX RELIEF ACT OF 2005" [1]

Fiscal Years 2006 - 2015

[Millions of Dollars]

Provision	Effective	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-10	2006-15
I. General Tax Relief Provisions													
1. Extend replacement period for non-recognition of gain [2].....	DOE	-761	-1,046	-93	7	14	23	38	48	51	55	-1,880	-1,665
2. Suspend limitations on charitable contributions for relief efforts relating to Hurricane Katrina.....	[3]	-407	62	33	13	9	4	---	---	---	---	-290	-286
3. Increase standard mileage rate for charitable purposes related to Hurricane Katrina.....	cmb 1/1/07	-17	-12	---	---	---	---	---	---	---	---	-29	-29
4. Exclusion of certain cancellations of Indebtedness [2].....	[4]	-178	-97	---	---	---	---	---	---	---	---	-275	-275
5. Special rules for mortgage revenue bonds for financing qualified hurricane recovery residences [2]	fpb 1/1/08	-2	-7	-12	-14	-15	-15	-15	-15	-15	-15	-50	-124
6. Suspend the 10% and \$100 thresholds on personal casualty losses for losses attributable to Hurricane Katrina.....	DOE	-1,094	-1,264	-73	[5]	---	---	---	---	---	---	-2,431	-2,431
7. Additional \$500 personal exemption for Hurricane Katrina displaced individuals (staying as houseguests for at least 60 days) subject to maximum additional exemptions of \$2,000, personal exemption phase out does not apply, and exemption applies for AMT.....	tybi 2005 & 2006	-96	-38	---	---	---	---	---	---	---	---	-134	-134
8. Allow residents of Hurricane Katrina disaster area as of August 28, 2005 who experienced a loss of income due to Hurricane Katrina to elect to use prior year's income in the calculation of the earned income credit and the refundable child tax credit [2].....	tyi 8/28/05	-125	---	---	---	---	---	---	---	---	---	-125	-125
9. Secretarial authority to make adjustments regarding taxpayer and dependency status.....	tybi 2005 & 2006	----- Negligible Revenue Effect -----											
10. Work opportunity tax credit for certain individuals (sunset 8/28/07 for qualified individuals hired on or after 8/29/05 and before 8/28/07) [2].....	wpoio/a 8/29/05	-20	-52	-48	-21	-10	-6	-3	---	---	---	-152	-161
Total of General Tax Relief Provisions		-2,700	-2,454	-193	-15	-2	6	20	33	36	40	-5,366	-5,230
II. Penalty Free Use of Retirement Funds in the Case of Hurricane Katrina													
1. Penalty-free withdrawals from retirement plans for distributions related to Hurricane Katrina (capped at \$100,000 per taxpayer).....	dra 8/28/05	-45	3	-1	-2	-1	-1	-1	-1	-1	-1	-46	-51

Provision	Effective	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-10	2006-15
2. Income averaging for disaster-relief distributions related to Hurricane Katrina.....	DOE	-8	-12	11	8	---	---	---	---	---	---	-1	-1
3. Recontributions of withdrawals for home purchases cancelled due to Hurricane Katrina.....	dma 2/28/05 & before 8/29/05	----- <i>Negligible Revenue Effect</i> -----											
4. Loans from qualified plans in connection with Hurricane Katrina.....	[6]	----- <i>Negligible Revenue Effect</i> -----											
5. Provisions relating to plan amendments.....	DOE	----- <i>No Revenue Effect</i> -----											
Total of Penalty Free Use of Retirement Funds in the Case of Hurricane Katrina		-53	-9	10	6	-1	-1	-1	-1	-1	-1	-47	-52
NET TOTAL		-2,753	-2,463	-183	-9	-3	5	19	32	35	39	-5,412	-5,282

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be October 1, 2005.

Legend for "Effective" column:

cmb = contributions made before
 dma = distributions made after
 DOE = date of enactment

dra = distributions received after
 fpb = financing provided before
 tybi = taxable years beginning in

tyi = taxable years including
 wpoio/a = wages paid or incurred on or after

- [1] Estimates subject to change due to the uncertainty of the Hurricane Katrina disaster area and FEMA designations.
- [2] For areas designated to receive individual or individual and public disaster assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, if such area is located within a Presidentially declared major disaster relating to Hurricane Katrina. Estimate based on FEMA designations as of September 14, 2005.
- [3] Contributions made during the period beginning August 28, 2005, and ending on December 31, 2005.
- [4] Effective for discharges of indebtedness before January 1, 2007.
- [5] Loss of less than \$500,000.
- [6] Increase in loan limits effective for loans made after the date of enactment and before the date which is one year after the disaster declaration date; repayment relief for loans outstanding on or after August 26, 2005.