

There was no objection.

ANNOUNCEMENT BY THE SPEAKER
PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken tomorrow.

KATRINA HOUSING TAX RELIEF
ACT OF 2007

Mr. RANGEL. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 1562) to amend the Internal Revenue Code of 1986 to extend and expand certain rules with respect to housing in the GO Zones, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1562

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Katrina Housing Tax Relief Act of 2007”.

SEC. 2. EXTENSION AND EXPANSION OF LOW-INCOME HOUSING CREDIT RULES FOR BUILDINGS IN THE GO ZONES.

(a) **TIME FOR MAKING LOW-INCOME HOUSING CREDIT ALLOCATIONS.**—Subsection (c) of section 1400N of the Internal Revenue Code of 1986 (relating to low-income housing credit) is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

“(5) **TIME FOR MAKING LOW-INCOME HOUSING CREDIT ALLOCATIONS.**—Section 42(h)(1)(B) shall not apply to an allocation of housing credit dollar amount to a building located in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone, if such allocation is made in 2006, 2007, or 2008, and such building is placed in service before January 1, 2011.”.

(b) **EXTENSION OF PERIOD FOR TREATING GO ZONES AS DIFFICULT DEVELOPMENT AREAS.**—

(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 beginning on January 1, 2006, and ending on December 31, 2010”.

(2) **CONFORMING AMENDMENT.**—Clause (ii) of section 1400N(c)(3)(B) of such Code is amended by striking “such period” and inserting “the period described in subparagraph (A)”.

(c) **COMMUNITY DEVELOPMENT BLOCK GRANTS NOT TAKEN INTO ACCOUNT IN DETERMINING IF BUILDINGS ARE FEDERALLY SUBSIDIZED.**—Subsection (c) of section 1400N of such Code (relating to low-income housing credit), as amended by this Act, is amended by redesignating paragraph (6) as paragraph (7) and by inserting after paragraph (5) the following new paragraph:

“(6) **COMMUNITY DEVELOPMENT BLOCK GRANTS NOT TAKEN INTO ACCOUNT IN DETERMINING IF BUILDINGS ARE FEDERALLY SUBSIDIZED.**—For purpose of applying section 42(i)(2)(D) to any building which is placed in service in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone during the period beginning on January 1, 2006, and ending on December 31, 2010, a loan shall not be treated as a below market Federal loan

solely by reason of any assistance provided under section 106, 107, or 108 of the Housing and Community Development Act of 1974 by reason of section 122 of such Act or any provision of the Department of Defense Appropriations Act, 2006, or the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006.”.

SEC. 3. SPECIAL TAX-EXEMPT BOND FINANCING RULE FOR REPAIRS AND RECONSTRUCTIONS OF RESIDENCES IN THE GO ZONES.

Subsection (a) of section 1400N of the Internal Revenue Code of 1986 (relating to tax-exempt bond financing) is amended by adding at the end the following new paragraph:

“(7) **SPECIAL RULE FOR REPAIRS AND RECONSTRUCTIONS.**—

“(A) **IN GENERAL.**—For purposes of section 143 and this subsection, any qualified GO Zone repair or reconstruction shall be treated as a qualified rehabilitation.

“(B) **QUALIFIED GO ZONE REPAIR OR RECONSTRUCTION.**—For purposes of subparagraph (A), the term ‘qualified GO Zone repair or reconstruction’ means any repair of damage caused by Hurricane Katrina, Hurricane Rita, or Hurricane Wilma to a building located in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone (or reconstruction of such building in the case of damage 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.

“(C) **TERMINATION.**—This paragraph shall apply only to owner-financing provided after the date of the enactment of this paragraph and before January 1, 2011.”.

SEC. 4. GAO STUDY OF PRACTICES EMPLOYED BY STATE AND LOCAL GOVERNMENTS IN ALLOCATING AND UTILIZING TAX INCENTIVES PROVIDED PURSUANT TO THE GULF OPPORTUNITY ZONE ACT OF 2005.

(a) **IN GENERAL.**—The Comptroller General of the United States shall conduct a study of the practices employed by State and local governments, and subdivisions thereof, in allocating and utilizing tax incentives provided pursuant to the Gulf Opportunity Zone Act of 2005 and this Act.

(b) **SUBMISSION OF REPORT.**—Not later than one year after the date of the enactment of this Act, the Comptroller General shall submit a report on the findings of the study conducted under subsection (a) and shall include therein recommendations (if any) relating to such findings. The report shall be submitted to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(c) **CONGRESSIONAL HEARINGS.**—In the case that the report submitted under this section includes findings of significant fraud, waste or abuse, each Committee specified in subsection (b) shall, within 60 days after the date the report is submitted under subsection (b), hold a public hearing to review such findings.

SEC. 5. MODIFICATION OF COLLECTION DUE PROCESS PROCEDURES FOR EMPLOYMENT TAX LIABILITIES.

(a) **IN GENERAL.**—Section 6330(f) of the Internal Revenue Code of 1986 (relating to jeopardy and State refund collection) is amended—

(1) by striking “; or” at the end of paragraph (1) and inserting a comma,

(2) by adding “or” at the end of paragraph (2), and

(3) by inserting after paragraph (2) the following new paragraph:

“(3) the Secretary has served a disqualified employment tax levy.”.

(b) **DISQUALIFIED EMPLOYMENT TAX LEVY.**—Section 6330 of such Code (relating to notice and opportunity for hearing before levy) is amended by adding at the end the following new subsection:

“(h) **DISQUALIFIED EMPLOYMENT TAX LEVY.**—For purposes of subsection (f), a disqualified employment tax levy is any levy in connection with the collection of employment taxes for any taxable period if—

“(1) the person subject to the levy (or any predecessor thereof) requested a hearing under this section with respect to unpaid employment taxes arising in the most recent 2-year period before the beginning of the taxable period with respect to which the levy is served, and

“(2) such levy is served before February 29, 2016.

For purposes of the preceding sentence, the term ‘employment taxes’ means any taxes under chapter 21, 22, 23, or 24.”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to levies served on or after the date that is 120 days after the date of the enactment of this Act.

SEC. 6. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking “106.25 percent” and inserting “106.45 percent”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. RANGEL) and the gentleman from Michigan (Mr. CAMP) each will control 20 minutes.

The Chair recognizes the gentleman from New York.

Mr. RANGEL. Mr. Speaker, once again I find myself thanking Mr. MCCRERY, the ranking member, and members of the minority on the Ways and Means Committee for moving forward to a piece of legislation, agreeing that it go to the suspension calendar and, more importantly, working with us in bringing about changes in order to make certain that we have a pay-for that is appreciated by the House.

This is important legislation. The Nation suffered a tremendous natural setback with Katrina. Thousands of people in Mississippi and Louisiana felt the pain. And somehow we are sluggishly moving towards some type of solution of this real problem.

One of the major problems, of course, is housing, people not being able to come back. We on the Ways and Means Committee can play some small part in putting together tax incentives to move forward, to make certain that these people have a place to stay and go back to their home.

More important, I am so pleased that JOHN LEWIS will be managing this bill, a man of compassion, a man of understanding, a man that understands the real pain that people have felt and continue to feel. I don’t think there is any Member in the House that I would rather see associated with a bill that brings some type of relief to people who have felt so much pain.

So, Mr. Speaker, with your permission, I would like to ask Mr. LEWIS from the sovereign State of Georgia, an outstanding Member of Congress, to