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(Original Signature of Member)

112TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to increase the amount of the low-income housing credit that may be allocated in States damaged in 2011 by Hurricane Irene or Tropical Storm Lee.

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IN THE HOUSE OF REPRESENTATIVES

Mr. GIBSON introduced the following bill; which was referred to the Committee  
on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To amend the Internal Revenue Code of 1986 to increase the amount of the low-income housing credit that may be allocated in States damaged in 2011 by Hurricane Irene or Tropical Storm Lee.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. ADDITIONAL LOW-INCOME HOUSING CREDIT**  
2 **MAY BE ALLOCATED IN STATES DAMAGED IN**  
3 **2011 BY HURRICANE IRENE OR TROPICAL**  
4 **STORM LEE.**

5 (a) IN GENERAL.—Paragraph (3) of section 42(h) of  
6 the Internal Revenue Code of 1986 (relating to limitation  
7 on aggregate credit allowable with respect to projects lo-  
8 cated in a State) is amended by adding at the end the  
9 following new subparagraph:

10 “(J) INCREASE IN STATE HOUSING CREDIT  
11 FOR STATES DAMAGED IN 2011 BY HURRICANE  
12 IRENE OR TROPICAL STORM LEE.—

13 “(i) IN GENERAL.—In the case of cal-  
14 endar years 2012, 2013, and 2014, the  
15 State housing credit ceiling of each State  
16 any portion of which includes any portion  
17 of the Irene-Lee disaster area shall be in-  
18 creased by the lesser of—

19 “(I) the aggregate housing credit  
20 dollar amount allocated by the State  
21 housing credit agency of such State  
22 for such calendar year to buildings lo-  
23 cated in such disaster area, or

24 “(II) the applicable limitation,  
25 reduced by the aggregate increase

1 under this clause for all prior calendar  
2 years.

3 “(ii) APPLICABLE LIMITATION.—For  
4 purposes of clause (i), the applicable limi-  
5 tation is the lesser of—

6 “(I) \$2.15 multiplied by the pop-  
7 ulation of such disaster area, or

8 “(II) 50 percent of the State  
9 housing credit ceiling (determined  
10 without regard to this subparagraph)  
11 for 2012.

12 “(iii) ALLOCATIONS TREATED AS  
13 MADE FIRST FROM ADDITIONAL ALLOCA-  
14 TION AMOUNT FOR PURPOSES OF DETER-  
15 MINING CARRYOVER.—For purposes of de-  
16 termining the unused State housing credit  
17 ceiling under subparagraph (C) for any  
18 calendar year, any increase in the State  
19 housing credit ceiling under clause (i) shall  
20 be treated as an amount described in  
21 clause (ii) of such subparagraph.

22 “(iv) DIFFICULT DEVELOPMENT  
23 AREA.—

24 “(I) IN GENERAL.—In the case  
25 of property placed in service during

1                   2012, 2013, or 2014, the Irene-Lee  
2                   disaster area shall be treated as a dif-  
3                   ficult development area designated  
4                   under subclause (I) of subsection  
5                   (d)(5)(B)(iii), and shall not be taken  
6                   into account for purposes of applying  
7                   the limitation under subclause (II) of  
8                   such subsection.

9                   “(II)        APPLICATION        OF  
10                  CLAUSE.—Clause (i) shall apply only  
11                  to—

12                               “(aa) housing credit dollar  
13                               amounts allocated during 2012,  
14                               2013, or 2014, and

15                               “(bb) to the extent that  
16                               paragraph (1) does not apply to  
17                               any building by reason of para-  
18                               graph (4), only with respect to  
19                               bonds issued after December 31,  
20                               2011.

21                               “(v) SPECIAL RULE FOR APPLYING IN-  
22                               COME TESTS.—In the case of property  
23                               placed in service after 2011 and before  
24                               2019 in a nonmetropolitan area (as de-  
25                               fined in subsection (d)(5)(C)(iv)(IV)) with-

1 in the Irene-Lee disaster area, this section  
2 shall be applied by substituting ‘national  
3 nonmetropolitan median gross income (de-  
4 termined under rules similar to the rules of  
5 section 142(d)(2)(B))’ for ‘area median  
6 gross income’ in subparagraphs (A) and  
7 (B) of subsection (g)(1).

8 “(vi) TIME FOR MAKING LOW-INCOME  
9 HOUSING CREDIT ALLOCATIONS.—Para-  
10 graph (1)(B) shall not apply to an alloca-  
11 tion of housing credit dollar amount to a  
12 building located in the Irene-Lee disaster  
13 area if such allocation is made in 2012,  
14 2013, or 2014, and such building is placed  
15 in service before January 1, 2018.

16 “(vii) IRENE-LEE DISASTER AREA.—  
17 For purposes of this subparagraph, the  
18 term ‘Irene-Lee disaster area’ means—

19 “(I) a county included in the geo-  
20 graphical area covered by a qualifying  
21 natural disaster declaration, and

22 “(II) each county contiguous to a  
23 county described in subclause (I).

24 “(viii) QUALIFYING NATURAL DIS-  
25 ASTER DECLARATION.—For purposes of

1 clause (vii), the term ‘qualifying natural  
2 disaster declaration’ means—

3 “(I) a natural disaster declared  
4 by the Secretary of Agriculture in  
5 2011 due to damaging weather and  
6 other conditions relating to Hurricane  
7 Irene or Tropical Storm Lee under  
8 section 321(a) of the Consolidated  
9 Farm and Rural Development Act (7  
10 U.S.C. 1961(a)), or

11 “(II) a major disaster or emer-  
12 gency designated by the President in  
13 2011 due to damaging weather and  
14 other conditions relating to Hurricane  
15 Irene or Tropical Storm Lee under  
16 the Robert T. Stafford Disaster Relief  
17 and Emergency Assistance Act (42  
18 U.S.C. 5121 et seq.).”.

19 (b) EFFECTIVE DATE.—The amendment made by  
20 this section shall take effect on the date of the enactment  
21 of this Act.