



Committee On Finance

Max Baucus, Ranking Member

NEWS RELEASE

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Baucus Praises Final Passage of Katrina Tax Package *Legislation Will Head to President's Desk for Signature*

(WASHINGTON, D.C.) Today, the Senate unanimously approved a measure drafted by Senate Finance Committee Ranking Member Max Baucus and Chairman Charles Grassley that will provide immediate tax relief to victims of Hurricane Katrina. The legislation will provide cash assistance and encourage charitable donations to hurricane affected areas.

After announcing tax and health relief packages last week, Senator Baucus toured the Gulf Coast region with other Senate leaders to survey the damage and assess the relief effort.

"Passing this tax package and getting it to the president is the first step in tackling the devastating circumstances Katrina has left behind," Baucus said. "We are also working to provide long-term tax help, but today's package will give urgent relief so victims can start picking up the pieces and putting their lives back together."

Yesterday, Baucus met with Senator Grassley, Rep. Bill Thomas, chairman of the House Ways and Means Committee, and Rep. Charles Rangel, ranking member of the House Ways and Means Committee, to reach an agreement on the House and Senate versions of the bill. Some adjustments were made according to Baucus, but for the most part the key features of the Senate bill stayed intact.

"The Senate and House versions had a few differences, but we were able to work them out," Baucus said. "I am pleased that my colleagues worked together to develop real solutions that will provide cash assistance, help employers hire displaced workers, and support charitable donations."

The final package did not include "pay protection" for military reservists and guards. Baucus expressed disappointment with the decision, but pledged to keep fighting for reservists and the guard, along with both Senators Kerry and Landrieu.

Baucus expects to unveil more relief legislation in the near future. Grassley and Baucus have introduced a package addressing the health and welfare needs of hurricane victims. Rebuilding businesses, housing, infrastructure, and addressing issues affecting distressed, working families will be top priorities, Baucus noted. In the coming weeks, the Senate Finance Committee plans to hold fact-finding hearings led by Baucus and Grassley in order to develop effective legislation to help the area recover.

"The recovery period of the Gulf Coast region will take years to complete," Baucus said. "There is plenty of heavy lifting in the days ahead to help the region get up and running, but

putting a plan in place now driven by tax incentives to rebuild homes, businesses, and the infrastructure will significantly accelerate the rebuilding process.”

A Summary Document of the Modified Version of H.R. 3768, the Katrina Emergency Tax Relief Act of 2005, is attached.

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