



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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By unanimous consent, the Senate tonight gave final approval to the *Katrina Emergency Tax Relief Act of 2005*. The bill now goes to the President for his consideration. Sen. Chuck Grassley, chairman of the Committee on Finance, and one of the bill's key authors, made the following comments on final passage.

Remarks of Senator Chuck Grassley of Iowa  
Chairman of the Committee on Finance  
Final Passage of Emergency Tax Relief for Hurricane Katrina Victims  
Wednesday, September 21, 2005

So far, the Finance Committee has put forth two Hurricane Katrina relief bills. One is the emergency tax relief bill passed today. The second is the health and welfare bill introduced last Thursday. And we're working on a third bill to help rebuild and rejuvenate the Gulf region. Today I met with Mississippi Governor Haley Barbour to hear about the needs of people in the Katrina area, both now and in the future. In addition to Senator Baucus, I've been working with my colleagues from Mississippi, Louisiana, and Alabama, including the co-sponsors of this tax bill – Senators Lott, Landrieu, Vitter, Cochran and Shelby.

For the next package, we're taking ideas from these senators. I've talked with Senators Vitter, Lott and Landrieu about tax incentives and expect to talk with the rest of the group in the coming days. We've had the biggest natural disaster in history. People are hurting, and we're getting them help. We know that tax incentives helped to revitalize New York after 9-11. They can do the same for New Orleans, Gulfport and the other hurricane-hit areas.

The immediate-relief package will help get short-term aid to hurricane victims by encouraging food donations and the employment of displaced individuals, for example. For those who've suffered casualty losses, we've liberalized the tax rules to permit affected taxpayers to deduct losses from damaged property. We also want to help protect Katrina victims from undeserved IRS problems.

It's good that the House and Senate quickly worked out minor differences in our respective versions of the bill. We need to get these tax incentives on the books and help Katrina victims make a fresh start. The President is working to restore a high quality of life to the people of the Gulf region, and today we're contributing a solid piece of legislation to his effort. After this package is completed, our focus will be on longer-term tax incentives to help rebuild homes and businesses. We're looking at depreciation changes, tax-exempt bond authority, tax-exempt bond refunding, and enterprise-zone initiatives.

In the coming days and weeks, the Finance Committee will be examining these ideas with an eye toward the most effective and efficient use of the taxpayer's dollar. The more thoughtful we are, and the more expeditiously we act, the sooner the people of the Gulf region can return home, earn a living, and rebuild their communities.