



Housing Advisory Group



Today, the House passed H.R. 1424, the Emergency Economic Stabilization Act, by a vote of 263-171. The President has indicated he will promptly sign the bill. This is the much anticipated financial rescue legislation meant to alleviate the credit crisis affecting the U.S. and global economies.

We reported to you earlier that tax legislation containing disaster relief measures was being held hostage because of an impasse between the House and Senate over whether or not to pay for certain expiring tax provisions. On Tuesday, this impasse was broken by the Senate when it added its tax package to their version of the Emergency Economic Stabilization Act, H.R. 1424, which passed by a vote of 74-25.

Because of the critical timing and nature of the rescue package, the House was not able to make changes to any provisions in the bill. This eliminated any possibility of reconciling the very different approaches on the disaster relief provisions thus the House adopted the Senate version.

As you may recall, the disaster provisions that will be enacted into law take a more targeted approach than that taken by the House. They provide disaster relief targeted to ten states affected by Midwestern flooding and storms, and to five counties/parishes in Texas and Louisiana hit by Hurricane Ike. There also is some additional relief that is not region-specific for victims of federally-declared disasters.

- Under the Midwestern Disaster Area portion of the Senate package, states are allowed to allocate volumes of additional low-income housing tax credit amounts in years 2008, 2009, 2010 of \$8 per person in the Midwestern Disaster Area. This is measured by population data issued before the earliest applicable disaster date for Midwestern Disaster Areas within the applicable state. The bill also includes additional allocation in years 2008, 2009, 2010 of \$16 per person for certain Texas and Louisiana counties or parishes hit by Ike. The per person allocation is based on the populations of Brazoria, Chambers, Galveston, Jefferson, and Orange counties in Texas and Calcasieu and Cameron parishes in Louisiana.

[Attached](#) is a summary of the tax cut provisions in H.R. 1424 that was prepared by the staff of the Senate Finance Committee. LIHTC disaster relief provisions are on page 22 and page 24.

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