

112TH CONGRESS
1ST SESSION

H. R. 2080

To amend the Internal Revenue Code of 1986 to allow individuals either a credit against income tax or a deduction for expenses paid or incurred by reason of a voluntary or mandatory evacuation.

IN THE HOUSE OF REPRESENTATIVES

JUNE 1, 2011

Mr. PAUL introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow individuals either a credit against income tax or a deduction for expenses paid or incurred by reason of a voluntary or mandatory evacuation.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Evacuees Tax Relief
5 Act of 2011”.

6 **SEC. 2. EVACUATION EXPENSES.**

7 (a) CREDIT FOR EVACUATION EXPENSES.—Subpart
8 A of part IV of subchapter A of chapter 1 of the Internal

1 Revenue Code of 1986 (relating to nonrefundable personal
2 credits) is amended by inserting after section 25D the fol-
3 lowing new section:

4 **“SEC. 25E. EVACUATION EXPENSES.**

5 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
6 dividual, there shall be allowed as a credit against the tax
7 imposed by this chapter for the taxable year an amount
8 equal to the qualified evacuation expenses paid or incurred
9 by the individual during the taxable year.

10 “(b) DOLLAR LIMITATION.—With respect to an indi-
11 vidual, the aggregate amount of qualified evacuation ex-
12 penses which may be taken into account under subsection
13 (a) for all taxable years during the credit allowance period
14 shall not exceed \$5,000.

15 “(c) QUALIFIED EVACUATION EXPENSES.—For pur-
16 poses of this section—

17 “(1) IN GENERAL.—The term ‘qualified evacu-
18 ation expenses’ means, with respect to any taxable
19 year during the credit allowance period, the sum of
20 all expenses paid or incurred by the individual dur-
21 ing such taxable year by reason of a qualified evacu-
22 ation. Such expenses shall include travel and lodging
23 expenses as do not exceed \$1,000, lost wages, and
24 any property damage not compensated for by insur-
25 ance or otherwise.

1 “(2) QUALIFIED EVACUATION.—With respect to
2 an individual, the term ‘qualified evacuation’ means
3 a voluntary or mandatory evacuation ordered by rea-
4 son of a qualified disaster (as defined in section
5 139(c)) of an area in which such individual resides
6 on the date of such disaster.

7 “(3) CREDIT ALLOWANCE PERIOD.—With re-
8 spect to a qualified evacuation, the term ‘credit al-
9 lowance period’ means the taxable year or years dur-
10 ing which the evacuation occurred and each of the
11 3 succeeding taxable years.

12 “(d) PORTION OF CREDIT REFUNDABLE.—

13 “(1) IN GENERAL.—The aggregate credits al-
14 lowed to an individual under subpart C shall be in-
15 creased by the lesser of—

16 “(A) the credit which would be allowed
17 under this section without regard to this sub-
18 section, or

19 “(B) the amount by which the aggregate
20 amount of credits allowed by this subpart (de-
21 termined without regard to this subsection)
22 would increase if the limitation imposed by sec-
23 tion 26(a) were increased by the individual’s so-
24 cial security taxes for the taxable year.

1 The amount of the credit allowed under this sub-
2 section shall not be treated as a credit allowed under
3 this subpart and shall reduce the amount of credit
4 otherwise allowable under subsection (a).

5 “(2) SOCIAL SECURITY TAXES.—For purposes
6 of paragraph (1)—

7 “(A) IN GENERAL.—The term ‘social secu-
8 rity taxes’ means, with respect to any taxpayer
9 for any taxable year—

10 “(i) the amount of the taxes imposed
11 by section 3101 and 3201(a) on amounts
12 received by the taxpayer during the cal-
13 endar year in which the taxable year be-
14 gins,

15 “(ii) 50 percent of the taxes imposed
16 by section 1401 on the self-employment in-
17 come of the taxpayer for the taxable year,
18 and

19 “(iii) 50 percent of the taxes imposed
20 by section 3211(a)(1) on amounts received
21 by the taxpayer during the calendar year
22 in which the taxable year begins.

23 “(B) COORDINATION WITH SPECIAL RE-
24 FUND OF SOCIAL SECURITY TAXES.—The term
25 ‘social security taxes’ shall not include any

1 taxes to the extent the taxpayer is entitled to
2 a special refund of such taxes under section
3 6413(c).

4 “(C) SPECIAL RULE.—Any amounts paid
5 pursuant to an agreement under section 3121(l)
6 (relating to agreements entered into by Amer-
7 ican employers with respect to foreign affiliates)
8 which are equivalent to the taxes referred to in
9 subparagraph (A)(i) shall be treated as taxes
10 referred to in such paragraph.

11 “(e) DENIAL OF DOUBLE BENEFIT.—No credit shall
12 be allowed under subsection (a) for any expense for which
13 a deduction or credit is allowed under any other provision
14 of this chapter.

15 “(f) ELECTION NOT TO HAVE SECTION APPLY.—An
16 individual may elect not to have this section apply with
17 respect to the qualified evacuation expenses of the indi-
18 vidual for any taxable year.”.

19 (b) DEDUCTION FOR EVACUATION EXPENSES.—

20 (1) IN GENERAL.—Part VII of subchapter B of
21 chapter 1 of the Internal Revenue Code of 1986 (re-
22 lating to additional itemized deductions for individ-
23 uals) is amended by redesignating section 224 as
24 section 225 and by inserting after section 223 the
25 following new section:

1 **“SEC. 224. DEDUCTION FOR EVACUATION EXPENSES.**

2 “(a) ALLOWANCE OF DEDUCTION.—In the case of an
3 individual, there shall be allowed as a deduction an
4 amount equal to the qualified evacuation expenses paid or
5 incurred by the individual during the taxable year.

6 “(b) DOLLAR LIMITATION.—With respect to an indi-
7 vidual, the aggregate amount of qualified evacuation ex-
8 penses which may be taken into account under subsection
9 (a) for all taxable years during the deduction allowance
10 period shall not exceed \$5,000.

11 “(c) QUALIFIED EVACUATION EXPENSES.—For pur-
12 poses of this section—

13 “(1) IN GENERAL.—The term ‘qualified evacu-
14 ation expenses’ means, with respect to any taxable
15 year during the deduction allowance period, the sum
16 of all expenses paid or incurred by the individual
17 during such taxable year by reason of a qualified
18 evacuation. Such expenses shall include travel and
19 lodging expenses as do not exceed \$1,000, lost
20 wages, and any property damage not compensated
21 for by insurance or otherwise.

22 “(2) QUALIFIED EVACUATION.—With respect to
23 an individual, the term ‘qualified evacuation’ means
24 a voluntary or mandatory evacuation ordered by rea-
25 son of a qualified disaster (as defined in section

1 139(c)) of an area in which such individual resides
2 on the date of such disaster.

3 “(3) DEDUCTION ALLOWANCE PERIOD.—With
4 respect to a qualified evacuation, the term ‘deduc-
5 tion allowance period’ means the taxable year or
6 years during which the evacuation occurred and each
7 of the 3 succeeding taxable years.

8 “(d) DENIAL OF DOUBLE BENEFIT.—No deduction
9 shall be allowed under subsection (a) for any expense for
10 which a deduction or credit is allowed under any other
11 provision of this chapter.

12 “(e) ELECTION NOT TO HAVE SECTION APPLY.—An
13 individual may elect not to have this section apply with
14 respect to the qualified evacuation expenses of the indi-
15 vidual for any taxable year.”.

16 (2) DEDUCTION ALLOWED WHETHER OR NOT
17 INDIVIDUAL ITEMIZES OTHER DEDUCTIONS.—Sub-
18 section (a) of section 62 of such Code is amended
19 by inserting after paragraph (21) the following new
20 paragraph:

21 “(22) DEDUCTION FOR EVACUATION EX-
22 PENSES.—The deduction allowed by section 224.”.

23 (c) CLERICAL AMENDMENTS.—

24 (1) The table of sections for subpart A of part
25 IV of subchapter A of chapter 1 of such Code is

1 amended by inserting after the item relating to sec-
2 tion 25D the following new item:

“Sec. 25E. Evacuation expenses.”.

3 (2) The table of sections for part VII of sub-
4 chapter B of chapter 1 of such Code is amended by
5 striking the last item and inserting the following
6 new items:

“Sec. 224. Deduction for evacuation expenses.

“Sec. 225. Cross reference.”.

7 (d) **EFFECTIVE DATE.**—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2010.

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