

WASHINGTON (June 24) – Legislation to help promote the recovery of families, businesses, and local governments affected by tornadoes and severe flooding in the Southeast has been introduced in the House by a bipartisan group of 27 members from nine states.

The Southeastern Disaster Tax Relief Act of 2011 would provide temporary tax relief to assist rebuilding efforts in Alabama, Arkansas, Georgia, Kentucky, Mississippi, Missouri, North Carolina, Oklahoma, and Tennessee. The bill is modeled on tax relief offered after previous natural disasters like Hurricane Katrina and is a companion to legislation introduced by Senator Richard Shelby (AL) in the U.S. Senate.

Lead House Republican sponsor Congressman Spencer Bachus (AL-6) said, “After meeting the emergency needs of our citizens, our next step must be to plan for economic recovery. The targeted tax relief contained in this legislation will help our families, businesses, and communities to help themselves as they rebuild after these devastating storms. We have seen a spirit of resiliency in Alabama and across the Southeast, and this is an additional way to give our citizens confidence about the future.”

Lead House Democratic sponsor Congresswoman Terri Sewell (AL-7) said, “In April, tornadoes and heavy storms devastated the State of Alabama. And over the past several months, several states across this nation experienced similar devastation. Many families lost their homes and jobs while communities were devastated and even wiped out. As we continue down the long road to recovery, it is critical that we provide communities with the resources and opportunities they need to repair, rebuild, and move forward. The bipartisan disaster relief legislation that my colleagues and I introduced yesterday will help provide tax incentives for homeowners, businesses and the agriculture industry so that they can rebuild. The bill will aid communities in their effort to rebuild and strengthen infrastructure, and it will spur investment. In conjunction with the federal assistance already provided by FEMA, the Department of Agriculture and the Small Business Administration, this legislation will help our communities recover and come out stronger than before.”

The legislation would establish a temporary Southeastern disaster area in the Internal Revenue Code to designate regions affected by the severe weather. Individuals, businesses, and communities in disaster areas would be eligible for tax relief including personal losses to home property, penalty-free withdrawals from retirement plans, housing of displaced individuals, a low income housing credit, education tax benefits, an employee retention credit, expensing for demolition and cleanup costs, and tax exempt bond financing.

The provisions in the legislation would be fully paid for by rescinding federal funds that are either unspent or uncommitted, and would not increase the national debt.

Original cosponsors of the legislation are: Spencer Bachus (AL-6), Jo Bonner (AL-1), Mo Brooks (AL-5), Russ Carnahan (MO-3), William Lacy Clay (MO-1), Tom Cole (OK-4), Rick Crawford (AZ-1), Scott DesJarlais (TN-4), John Duncan (TN-2), Steven Fincher (TN-8), Tim Griffin (AR-2), Brett Guthrie (KY-2), Gregg Harper (MS-3), Vicki Hartzler (MO-4), Walter Jones (NC-3), Billy Long (MO-7), Frank Lucas (OK-3), Alan Nunnelee (MS-1), Steven Palazzo (MS-4), Martha Roby (AL-2), Phil Roe (TN-1), Mike Rogers (AL-3), Mike Ross (AR-4), Austin Scott (GA-8), Terri Sewell (AL-7), Lynn Westmoreland (GA-4), Steve Womack (AR-3).

To view a summary of the legislation, [click here.](#)

To view a copy of the legislation, [click here.](#)