

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 1562
OFFERED BY MR. RANGEL OF NEW YORK**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Katrina Housing Tax
3 Relief Act of 2007”.

**4 SEC. 2. EXTENSION AND EXPANSION OF LOW-INCOME
5 HOUSING CREDIT RULES FOR BUILDINGS IN
6 THE GO ZONES.**

7 (a) TIME FOR MAKING LOW-INCOME HOUSING
8 CREDIT ALLOCATIONS.—Subsection (c) of section 1400N
9 of the Internal Revenue Code of 1986 (relating to low-
10 income housing credit) is amended by redesignating para-
11 graph (5) as paragraph (6) and by inserting after para-
12 graph (4) the following new paragraph:

13 “(5) TIME FOR MAKING LOW-INCOME HOUSING
14 CREDIT ALLOCATIONS.—Section 42(h)(1)(B) shall
15 not apply to an allocation of housing credit dollar
16 amount to a building located in the Gulf Oppor-
17 tunity Zone, the Rita GO Zone, or the Wilma GO
18 Zone, if such allocation is made in 2006, 2007, or

1 2008, and such building is placed in service before
2 January 1, 2011.”.

3 (b) EXTENSION OF PERIOD FOR TREATING GO
4 ZONES AS DIFFICULT DEVELOPMENT AREAS.—

5 (1) IN GENERAL.—Subparagraph (A) of section
6 1400N(c)(3) of such Code is amended by striking
7 “2006, 2007, or 2008” and inserting “the period be-
8 ginning on January 1, 2006, and ending on Decem-
9 ber 31, 2010”.

10 (2) CONFORMING AMENDMENT.—Clause (ii) of
11 section 1400N(c)(3)(B) of such Code is amended by
12 striking “such period” and inserting “the period de-
13 scribed in subparagraph (A)”.

14 (c) COMMUNITY DEVELOPMENT BLOCK GRANTS NOT
15 TAKEN INTO ACCOUNT IN DETERMINING IF BUILDINGS
16 ARE FEDERALLY SUBSIDIZED.—Subsection (c) of section
17 1400N of such Code (relating to low-income housing cred-
18 it), as amended by this Act, is amended by redesignating
19 paragraph (6) as paragraph (7) and by inserting after
20 paragraph (5) the following new paragraph:

21 “(6) COMMUNITY DEVELOPMENT BLOCK
22 GRANTS NOT TAKEN INTO ACCOUNT IN DETER-
23 MINING IF BUILDINGS ARE FEDERALLY SUB-
24 SIDIZED.—For purpose of applying section
25 42(i)(2)(D) to any building which is placed in serv-

1 ice in the Gulf Opportunity Zone, the Rita GO Zone,
2 or the Wilma GO Zone during the period beginning
3 on January 1, 2006, and ending on December 31,
4 2010, a loan shall not be treated as a below market
5 Federal loan solely by reason of any assistance pro-
6 vided under section 106, 107, or 108 of the Housing
7 and Community Development Act of 1974 by reason
8 of section 122 of such Act or any provision of the
9 Department of Defense Appropriations Act, 2006, or
10 the Emergency Supplemental Appropriations Act for
11 Defense, the Global War on Terror, and Hurricane
12 Recovery, 2006.”.

13 **SEC. 3. SPECIAL TAX-EXEMPT BOND FINANCING RULE FOR**
14 **REPAIRS AND RECONSTRUCTIONS OF RESI-**
15 **DENCES IN THE GO ZONES.**

16 Subsection (a) of section 1400N of the Internal Rev-
17 enue Code of 1986 (relating to tax-exempt bond financing)
18 is amended by adding at the end the following new para-
19 graph:

20 “(7) SPECIAL RULE FOR REPAIRS AND RECON-
21 STRUCTIONS.—

22 “(A) IN GENERAL.—For purposes of sec-
23 tion 143 and this subsection, any qualified GO
24 Zone repair or reconstruction shall be treated
25 as a qualified rehabilitation.

1 “(B) QUALIFIED GO ZONE REPAIR OR RE-
2 CONSTRUCTION.—For purposes of subpara-
3 graph (A), the term ‘qualified GO Zone repair
4 or reconstruction’ means any repair of damage
5 caused by Hurricane Katrina, Hurricane Rita,
6 or Hurricane Wilma to a building located in the
7 Gulf Opportunity Zone, the Rita GO Zone, or
8 the Wilma GO Zone (or reconstruction of such
9 building in the case of damage constituting de-
10 struction) if the expenditures for such repair or
11 reconstruction are 25 percent or more of the
12 mortgagor’s adjusted basis in the residence.
13 For purposes of the preceding sentence, the
14 mortgagor’s adjusted basis shall be determined
15 as of the completion of the repair or reconstruc-
16 tion or, if later, the date on which the mort-
17 gagor acquires the residence.

18 “(C) TERMINATION.—This paragraph shall
19 apply only to owner-financing provided after the
20 date of the enactment of this paragraph and be-
21 fore January 1, 2011.”.

1 **SEC. 4. MODIFICATION OF COLLECTION DUE PROCESS**
2 **PROCEDURES FOR EMPLOYMENT TAX LI-**
3 **ABILITIES.**

4 (a) **IN GENERAL.**—Section 6330(f) of the Internal
5 Revenue Code of 1986 (relating to jeopardy and State re-
6 fund collection) is amended—

7 (1) by striking “; or” at the end of paragraph

8 (1) and inserting a comma,

9 (2) by adding “or” at the end of paragraph (2),

10 and

11 (3) by inserting after paragraph (2) the fol-
12 lowing new paragraph:

13 “(3) the Secretary has, on or before September
14 30, 2015, served a levy in connection with the collec-
15 tion of taxes under chapter 21, 22, 23, or 24,”.

16 (b) **EFFECTIVE DATE.**—The amendments made by
17 this section shall apply to levies served on or after the date
18 that is 120 days after the date of the enactment of this
19 Act.

20 **SEC. 5. TIME FOR PAYMENT OF CORPORATE ESTIMATED**
21 **TAXES.**

22 Subparagraph (B) of section 401(1) of the Tax In-
23 crease Prevention and Reconciliation Act of 2005 is
24 amended by striking “106.25 percent” and inserting
25 “106.45 percent”.