



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Floor Statement of U.S. Senator Chuck Grassley of Iowa
Senate Amendment to H.R. 4440
Friday, December 16, 2005

Mr. President,

This amendment acts on our commitment to provide rebuilding assistance to areas of the country devastated by this year's relentless hurricane season. It will benefit residents of the Gulf region, as well as more recently impacted areas of Texas and Florida, and provides much-needed relief and resources for economic rebuilding to those areas.

As promised, we have made our best effort to marry up our compassion for displaced persons and damaged communities with attention to fiscal discipline and the best use of taxpayer dollars. This bill represents an effort to most efficiently and effectively use the tax code to assist in the rebuilding and revitalization of those regions. I will reiterate the guiding principles of our hurricane relief legislation. First, because market forces will be the driver in getting these regions back on their feet, our bill includes only provisions that encourage and incentivize re-development. Second, our package provides resources only to those who incurred uninsured losses and does not provide for a bailout of those who assumed risk as an insurer in our capitalist, free-market system. Third, we have focused our limited federal resources on those most in need - like the many devastated small business employers who were the backbones of these economies and who will be the engines of their future growth and prosperity. The amendment provides front-loaded incentives on a timely basis to encourage people and businesses to return to the region as quickly as possible.

I want to show my appreciation to my colleagues in the Senate and in the House for working to get this legislation to the President as quickly as possible. Before we go home to spend time with our families, it is important for us to help the many families who have had their lives overturned by the recent hurricanes. Hopefully they will think of this holiday season as a time of rebuilding and opportunity.

The amendment also includes tax technical correction provisions related to the American Jobs Creation Act of 2004 and other tax legislation. Technical corrections measures are routine for major tax acts and are necessary to ensure that the provisions of the acts are working consistently with their original intent, or to provide clerical corrections. Because these measures carry out Congressional intent, no revenue gain or loss is scored from them.

The process and test for technical corrections ensures that only provisions narrowly drawn to carry out Congressional intent are included. Technical corrections are derived from a deliberative and consultative process among the Congressional and Administration tax staffs. That means the Republican and Democratic staffs of the House Ways and Means and Senate Finance Committees are involved as is the Treasury department staff. All of this work is performed with the participation and guidance of the non-partisan Joint Committee on Taxation staff. A technical enters the list only if all staffs agree it is appropriate.

The Senate Finance Committee and the Committee on Ways and Means, in consultation with the Joint Committee on Taxation and the Department of the Treasury, are continuing to assess proposals for other technical corrections which may be needed to achieve congressional intent. On that point, no double benefit is intended under the railroad track maintenance credit of Code section 45G. If the current basis adjustment rule is not serving to carry out that intent, the provision may need to be clarified. Such a clarification might provide that basis or tax attribute reduction applies to the taxpayer taking the credit. I would like to ask the staff to work on this.

In conclusion, this package will show those affected by Hurricanes Rita, Wilma, and Katrina that their needs have not been forgotten, and that we will continue to help them rebuild their homes, communities, and lives.