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NABL: Senate Subcommittee Holds Hearing on Disaster Tax Relief.

The Senate Finance Committee Subcommittee on Taxation and IRS Oversight held a hearing this week on “Tax Relief after a Disaster” and discussed, among other things, the effectiveness of disaster bonds and the possibility of a permanent tax relief program available for FEMA-designated disaster areas. Steve Ellis, vice president of Taxpayers for Common Sense, told members of the subcommittee that tax-exempt bonds issued for disaster relief in the past have been “blunt instruments” that “reward much reinvestment that would happen regardless and may create subsidies that are out of proportion to the losses incurred when other federal, state, and charitable programs are taken into account.”

When asked by Senator Mike Enzi (R-WY) if he has seen tax changes provide relief outside the scope of the affected disaster areas, Mr. Ellis specifically mentioned GO Zone Bonds, telling the subcommittee that the states generally allocated the GO Zone private activity bonds and the additional advance refunding authority on a first-come, first-serve basis and for the most part did not focus their allocations on helping with recovery in the areas that were most damaged by the hurricanes. He urged the committee to require more accountability from communities who have access to tax relief after a disaster.

You can watch the hearing and read witness testimony [here](#).