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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE RESOLUTION

No. 84

Session of  
2005

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INTRODUCED BY WRIGHT, STEIL, DIGIROLAMO, O'NEILL, PETRI AND  
WATSON, FEBRUARY 15, 2005

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INTRODUCED AS NONCONTROVERSIAL RESOLUTION UNDER RULE 35,  
FEBRUARY 15, 2005

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A RESOLUTION

1 Memorializing the Congress of the United States to direct the  
2 Internal Revenue Service to rescind its decision to include  
3 grants received as payment for damage done by a natural  
4 disaster to residential homes in the definition of gross  
5 income for Federal income tax purposes.

6 WHEREAS, The Internal Revenue Service has recently issued a  
7 ruling that grant moneys received by homeowners who incurred  
8 damage due to a natural disaster shall include those payments as  
9 gross income under section 61 of the Internal Revenue Code and  
10 therefore subject the payments to Federal income taxation; and

11 WHEREAS, Many homeowners in the Commonwealth of Pennsylvania  
12 incurred flood damage due to the 2004 hurricane season; and

13 WHEREAS, At least 19 homeowners along the Neshaminy Creek  
14 have received grants to elevate their homes in accordance with  
15 the Federal Emergency Management Agency Hazard Mitigation Grant  
16 Program; and

17 WHEREAS, The Federal income tax burden on these homeowners,  
18 who are required to include the emergency grant payments in  
19 their income, could total several thousand dollars; and

1       WHEREAS, The Internal Revenue Service may try to make its  
2   ruling apply retroactively, further impacting homeowners who  
3   have received emergency grant payments in the past; therefore be  
4   it

5       RESOLVED, That the House of Representatives of the  
6   Commonwealth of Pennsylvania urge the Congress to direct the  
7   Internal Revenue Service to rescind its ruling that certain  
8   emergency grant payments be subject to Federal income tax; and  
9   be it further

10      RESOLVED, That copies of this resolution be transmitted to  
11   the presiding officers of each house of Congress and to each  
12   member of Congress from Pennsylvania.