

SENATE NO. 1805

AN ACT PROVIDING RELIEF FOR FLOOD VICTIMS

*Be it enacted by the Senate and House of Representatives in General Court assembled,
And by the authority of the same, as follows:*

1 SECTION 1. Notwithstanding any general or special laws, rule or regulation to the contrary, for
2 the taxable year 2006, there shall be allowed a deduction from the Part B adjusted gross income,
3 as defined in section 3 of chapter 62 of the General Laws, as appearing in the 2004 Official
4 Edition, an amount up to \$10,000 for damages sustained to real and personal property as a result
5 of the May 2006 flooding in areas declared federal disaster areas in the counties of Essex,
6 Middlesex, Norfolk, Suffolk and Worcester, provided that an individual shall have previously
7 completed an application for federal disaster assistance with the Federal Emergency
8 Management Agency or the Small Business Administration..
9 Eligible items for such deduction shall include but not be limited to the sump pumps and related
10 items and services, fees for services associated with water removal, repairs to existing dwellings
11 and replacement flooring, environmental remediation, appliances, furniture and home heating
12 instruments. Items and services must be purchased between May 10, 2006 and October 10,
13 2006 and be purchased as a direct result of the May 2006 floods to be eligible for the deduction.
14 The department of taxation shall promulgate rules and regulations to carry out the purpose of
15 this act.

16 Section 2. Section 6 of Chapter 62 of the General Laws, as appearing in the 2004 Official
17 Edition is hereby amended by adding the following section:—

18 Section 1. A taxpayer shall be allowed a credit, for damages sustained to a residence or personal
19 property as a result of the May 2006 flooding in areas declared federal disaster areas in the
20 counties of Essex, Middlesex, Norfolk, Suffolk and Worcester, against taxes imposed by
21 Chapter 62 if such a person qualified for and claimed the earned income credit allowed under
22 the provisions of section 32 of the Code as amended and in effect for the taxable year; provided
23 that a tenant shall have previously completed an application for federal disaster assistance with
24 the Federal Emergency Management Agency or the Small Business Administration.

25 A taxpayer shall be allowed a credit equal to 20 percent of the net expenditure for replacing
26 personal property not covered by Federal Emergency Management Agency or Small Business
27 Administration but the credit shall not exceed 1,500 dollars. Items and services must be
28 purchased between May 10, 2006 and October 10, 2006 and be purchased as a direct result of
29 the May 2006 floods to be eligible for the credit.

30 Section 2. As used in this section the following words shall have the following meaning:—

31 “Residence” the building or portion thereof, including a mobile home, rented and actually
32 occupied by the taxpayer as the taxpayer’s primary dwelling during the taxable year and may
33 consist of a part of a multi-unit or multi-purpose building pursuant to subsection (k) (1) section
34 6 of Chapter 62.

35 “A tenant of residential property” located in areas declared, federal disaster areas in the counties
36 of Essex, Middlesex, Norfolk, Suffolk and Worcester, who is not dependent of another taxpayer
37 and who occupies said property as his principal residence and does not hold a renter’s insurance
38 policy pursuant to subsection (d) Section 6 of Chapter 62.

39 Section 3. Any taxpayer entitled to this credit for any taxable year beginning in 2006, the amount
40 of which exceeds the total tax due for then current taxable year may carry over the excess

41 amount as reduced from year to year and apply it to his tax liability for any one or more of the
42 next succeeding three taxable years, provided however, that in for any taxable year the amount
43 of the credit allowed may not exceed the total tax due of taxpayer for the relevant taxable year.

44 Section 4. Any credit provided by this subsection shall not be counted as income in determining
45 eligibility or benefits under any other means-tested assistance program, including but not
46 limited to all such cash, food, medical, housing, energy and educational assistance programs.
47 The department of taxation shall promulgate rules and regulations to carry out the purpose of
48 this act.

49 Section 3: Item 1599-2005 of section 2A of chapter 81 of the Acts of 2005, as amended by
50 Section 10 of Chapter 192 of the Acts of 2006, is hereby amended by adding the following
51 words: “provided further, that not less than \$6,800,000 shall be expended to certain
52 municipalities and eligible private non-profit organizations in areas declared federal disaster
53 areas in the counties of Essex, Middlesex, Norfolk, Suffolk and Worcester for the purpose of
54 providing emergency disaster relief related to damages associated with the flooding of May
55 2006; provided further that said relief shall be in the amount of 25 percent of the total damage
56 as certified by the Massachusetts Emergency Management Agency.”

57 Section 4: Item 1599-2005 of section 2A of chapter 81 of the Acts of 2005, as amended by
58 Section 10 of Chapter 192 of the Acts of 2006, is hereby amended by adding the following
59 words: “provided further, that not less than \$1,000,000 shall be deposited in the Massachusetts
60 Long-Term Recovery Fund, to be administered by the Secretary of Administration and Finance,
61 for the purpose of providing emergency disaster relief to the victims of the flooding in areas
62 declared federal disaster areas in the counties of Essex, Middlesex, Norfolk, Suffolk and
63 Worcester for whom flood relief provided by the Federal Emergency Management Agency,

64 U.S. Small Business Administration, or in any other provision of this section is inadequate,
65 provided further, that funds may be expended from this item for grants to charitable
66 organizations engaged in assisting flood victims”.

67 Section 5: Item 1599-2005 of section 2A of chapter 81 of the Acts of 2005, as amended by
68 Section 10 of Chapter 192 of the Acts of 2006, is hereby amended by adding the following
69 words: “and provided further, that not more than \$2,000,000 of these funds shall be made
70 available to the Massachusetts Development Finance Agency, established in chapter 23G of the
71 General Laws, for the purpose of providing grants to individuals and businesses located in areas
72 declared federal disaster areas in the counties of Essex, Middlesex, Norfolk, Suffolk and
73 Worcester, provided that such grants be used by said individuals and businesses to pay a
74 percentage of the total interest portion on loans, calculated over the life of the loans, received
75 from the Small Business Administration due to said emergency flooding; and provided further,
76 that said percentage shall be determined by the Massachusetts Development Finance Agency,
77 provided that said percentage be uniform across all grant recipients.”

78 Section 6: There is hereby established and set up on the books of the Commonwealth the
79 Massachusetts Long-Term Flood Recovery Fund, which shall be administered by the Secretary
80 of Administration and Finance. Sums deposited in said fund shall be expended without further
81 appropriation in accordance with the purposes set forth in Section 3 of this Act.

82 Section 7: Notwithstanding the provisions of chapter 151A of the General Laws, as appearing in
83 the 2004 Official Edition, or any other general or special law to the contrary, an individual shall
84 qualify to be deemed “unemployed”, as defined in said chapter 151A and for the purposes of
85 qualifying for benefits under said chapter 151A, for any period of unemployment caused by the
86 closure of such individual’s employer due directly to the flood emergency beginning on May

87 14, 2006 provided such individual would otherwise qualify for such benefits under the
88 provisions of said chapter 151A.

89 Section 8: Item 1599-2005 of section 2A of the Chapter 81 of the Acts of 2005 is hereby
90 amended by adding after the words "uninsured individuals"(line 20) the following words:
91 including but not limited to a tenant of residential property who is not a dependent of another
92 taxpayer and who occupies said property as a principal residence; directly impacted by the
93 declaration of a state of emergency by the Commonwealth as a result of excessive rain, floods
94 or potential dam breaches since July 1,2005; provided further, that a one-time assistance
95 payment shall be available to those persons who have registered with Federal Emergency
96 Management Agency and have been denied relief and who qualified for and have claimed the
97 earned income credit, so called, allowed under the provisions of Section 32 of the Code as
98 amended and in effect for the taxable year; provided further that funds appropriated herein shall
99 be made available until June 30,2007; and provided further, that the agency shall incorporate all
100 available federal funds into the distribution of state funds and shall minimize the distribution of
101 state funds.

102 Section 9: This Act shall take effect upon its passage.