

On his way back to Washington, Rep. Peter Welch today announced legislation to provide tax relief for Vermonters affected by Tropical Storm Irene.

Welch's Tax Relief for Victims of Disasters Act of 2011 (H.R. 3048) would create three tax relief provisions for eligible Vermonters. Similar tax relief was provided to victims of Hurricane Katrina and includes:

- Allowing families who have been displaced or had their work disrupted by a disaster to calculate the Earned Income Tax Credit (EITC) and refundable Child Tax Credits (CTC) using their earned income from the prior taxable year. In order to qualify for these tax credits, individuals must have earned income. In cases where individuals are out of work due to Irene, individuals will be able to use their prior year's earned income to calculate the tax credit so they will remain eligible for these credits. In 2009, 46,340 Vermonters claimed the EITC and 45,811 claimed the CTC.
- Removing limitations on personal casualty losses attributable to a disaster. Currently, taxpayers can deduct personal casualty losses only if each loss exceeds \$100 and net losses exceed 10 percent of a taxpayers adjusted gross income. Under Welch's bill, both provisions would be suspended for those affected by Irene.
- Allowing an exemption to those who provide housing to individuals displaced by Irene. Those who open their homes will receive a \$500 exemption for each individual for whom they provide housing.

"Irene was a once-in-a-century storm," Welch said. "Many families and businesses already struggling in a tough economy were devastated. As they work to get back on their feet, this common sense tax relief will provide critical help to those who – through no fault of their own – were caught on the bad end of a bad storm."