

H.R. 3823 – DISASTER TAX RELIEF AND AIRPORT AND AIRWAY EXTENSION ACT OF 2017

Title I – Federal Aviation Programs

Section 101 – Extension of Airport Improvement Program

This section authorizes budget authority for the Airport Improvement Program at the same level currently authorized (\$3.35 billion annualized). This section also directs the FAA to prorate certain spending to ensure that the formula can function under a six-month extension.

Section 102 – Extension of Expiring Authorities

This section extends through March 31, 2018 the requirement of airports to file competitive disclosure reports; a special rule relating to Airport Improvement Program grant apportionments; the eligibility of the Marshall Islands, Federated States of Micronesia, and Palau to receive Airport Improvement Program grants; authorization of appropriations for the contract tower cost-share program from the FAA operations account; authorization for the compatible land use planning grant program; the authority of the Secretary of Transportation to enter into reimbursable agreements with the Secretary of the Interior to maintain Midway Island Airport; the applicability of orders issued by the Secretary relating to the measurement of highway miles for purposes of determining eligibility for Essential Air Service subsidies; the requirement of the DOT IG to produce a report on the DBE program; the authorization of the Aviation Consumer Protection Advisory Committee; the authorization for the airport property redevelopment pilot program; and the existing moratorium on eliminating Contract Weather Observers from airports.

Section 103 – Federal Aviation Administration Operations

This section authorizes appropriations for FAA operations at FY2017 appropriated levels through March 31, 2018.

Section 104 – Small Community Air Service

This section authorizes appropriations for the Essential Air Service and Small Community Air Service Development programs at FY2017 appropriated levels through March 31, 2018.

Section 105 – Air Navigation Facilities and Equipment

This section authorizes appropriations for FAA facilities and equipment at FY2017 appropriated levels through March 31, 2018.

Section 106 – Research, Engineering, and Development

This section authorizes appropriations for FAA research, engineering, and development at FY2017 appropriated levels through March 31, 2018.

Section 107 – Funding for Aviation Programs

This section extends certain budgetary requirements for FAA appropriations through March 31, 2018.

Title II – Revenue Provisions

Section 201 – Expenditure Authority from Airport and Airway Trust Fund

This section extends the expenditure authority of the Airport and Airway Trust Fund through March 31, 2018.

Section 202 – Extension of Taxes Funding Airport and Airway Trust Fund

This section extends the collection of aviation fuel taxes, aviation ticket taxes for passengers and cargo, and taxes relating to fractional ownership programs.

Title III - Expiring Health Provisions

Section 301 - Extension of Certain Public Health Programs

This section extends the Teaching Health Center Graduate Medical Education program for three months. This program provides payments to outpatient facilities such as community health centers, to support training in primary care for medical and dental residents. This section would also extend, for three months, the Special Diabetes Program for Indians, which provides funding for the Indian Health Service (IHS) to award grants for the prevention and treatment of diabetes for American Indians and Alaska Natives who receive services at IHS-funded facilities.

Section 302 - Extension of the Medicare Patient IVIG Access Demonstration Project

This section extends through 2020 the ongoing intravenous immunoglobulin (IVIG) demonstration policy which would otherwise stop providing services to patients after September 30, 2017. The demonstration would evaluate the benefits of providing payment for items and services needed for the in-home administration of IVIG for the treatment of primary immune deficiency diseases.

Section 303 - Funds from the Medicare Improvement Fund

This section reduces the amount of funding in the Medicare Improvement Fund (MIF) available to the Department of Health and Human Services to offset the policies contained in this title.

Title IV – Development of Private Flood Insurance Market

Section 401 – Private Flood Insurance

This section is the text of the Flood Insurance Market Parity and Modernization Act, which clarifies that flood insurance offered by a private carrier outside of the federal government operated National Flood Insurance Program (NFIP) can satisfy the mandatory purchase requirement established by the Flood Disaster Protection Act of 1973.

Under the Flood Disaster Protection Act of 1973, federally-backed mortgage lenders are required to ensure that mortgagors of certain properties in areas with a high risk of flooding obtain and maintain acceptable flood insurance on their property.

In addition to an NFIP policy for flood insurance, the Flood Insurance Market Parity and Modernization Act defines acceptable private flood insurance as a policy issued by an insurance company that is licensed, admitted, or otherwise approved to engage in the business of insurance in the state or jurisdiction in which the insured property is located.

Under the Flood Insurance Market Parity and Modernization Act, an acceptable private flood insurance policy may also be issued by an insurance company that is eligible as a non-admitted insurer to provide insurance in the state or jurisdiction where the property to be insured is located.

The Flood Insurance Market Parity and Modernization Act also would direct the Federal Emergency Management Agency to consider policyholders who drop an NFIP policy and then later return to the NFIP as having continuous coverage if they can demonstrate that a flood insurance policy from a private firm was maintained throughout the interim period.

The Flood Insurance Market Parity and Modernization Act was reported by the Financial Services Committee in June by a vote of 58-0, and last year the House passed a similar version of the bill by a vote of 419-0.

Title V – Tax Relief for Hurricanes Harvey, Irma, and Maria

Section 501 – Definitions

Provides general definitions for areas eligible for disaster tax relief based on Presidential declarations under the Robert T. Stafford Disaster Relief and Emergency Assistance Act for Hurricanes Harvey, Irma, and Maria.

Section 502 – Special Disaster-Related Rules for Use of Retirement Funds

Provides an exception to the 10-percent early retirement plan withdrawal penalty for qualified hurricane relief distributions. Allows for the re-contribution of retirement plan withdrawals for home purchases cancelled due to eligible disasters. Provides flexibility for loans from retirement plans for qualified hurricane relief. The provision would be effective from the date of enactment for qualified distributions.

Section 503 – Disaster-Related Employment Relief

Provides a tax credit for 40% of wages (up to \$6,000 per employee) paid by a disaster-affected employer to an employee from a core disaster area.

Section 504 – Additional Disaster-Related Tax Relief Provisions

Temporarily suspends limitations on charitable contributions associated with qualified hurricane relief made before December 31, 2017. With respect to losses arising in the disaster area, eliminates the current law requirements that personal casualty losses must exceed 10% of Adjusted Gross Income to qualify for deduction, and eliminate current law requirement for taxpayers to itemize. For 2017, allows taxpayers to refer to earned income from the immediately preceding year for purposes of determining the Earned Income Tax Credit and Child Tax Credit

Section 505 – Budgetary Effects

Designates tax relief for Hurricanes Harvey, Irma, and Maria as an emergency requirement pursuant to the Statutory Pay-As-You-Go Act of 2010 (Statutory PAYGO) and pursuant to the concurrent resolution on the budget.