

ADMIRALTY & MARITIME

ANTITRUST & TRADE REGULATION

APPELLATE LITIGATION

AVIATION

BANKRUPTCY, RESTRUCTURING &
CREDITORS-DEBTORS RIGHTS

BUSINESS & COMMERCIAL LITIGATION

CLASS ACTION DEFENSE

COMMERCIAL LENDING & FINANCE

CONSTRUCTION

CORPORATE & SECURITIES

CORPORATE COMPLIANCE & WHITE
COLLAR DEFENSE

EMPLOYEE BENEFITS, ERISA, &
EXECUTIVE COMPENSATION

ENERGY

ENVIRONMENTAL & TOXIC TORTS

GAMING

GOVERNMENT RELATIONS

HEALTH CARE

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PRODUCTS LIABILITY

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PROJECT DEVELOPMENT & FINANCE

PUBLIC FINANCE

REAL ESTATE: LAND USE,
DEVELOPMENT & FINANCE

TAX (INTERNATIONAL,
FEDERAL, STATE & LOCAL)

TELECOMMUNICATIONS & UTILITIES

TRUSTS, ESTATES &
PERSONAL PLANNING

VENTURE CAPITAL &
EMERGING COMPANIES

GO ZONE TAX RELIEF IN HOUSE-PASSED BILL

Gulf Residents and Non-Residential Properties Would Benefit

On July 23, 2008, the U.S. House of Representatives passed the "American Housing Rescue and Foreclosure Prevention Act of 2008," which is expected to be passed by the U.S. Senate this weekend and signed by the President into law. The legislation allows grant recipients, such as Louisiana Road home recipients, who previously deducted their losses after the 2005 hurricanes to amend their prior returns to reverse the deductions and exclude hurricane recovery grants from taxable income. The legislation also includes a waiver of a deadline on commencement of construction of certain GO Zone real property eligible for bonus depreciation.

GRANT RECIPIENTS

The election provision allows a taxpayer who claimed a casualty loss to a principal residence resulting from Hurricane Katrina, Hurricane Rita, or Hurricane Wilma, and in a subsequent year received a grant as reimbursement of such loss, to elect to file an amended return for the taxable year to which such deduction was allowed. The casualty loss deduction is reduced, but not below zero, by the amount of the grant reimbursement, which is excluded from taxable income. The time for filing such amended return is the later of three years after the original due date for filing the tax return or four months after the date of enactment of this legislation. Any underpayment of tax for the earlier year will be subject to one year of interest, but no penalty or additional interest if paid no later than one year after the filing of the amended return.

CONSTRUCTION COMMENCEMENT DATE WAIVED

Under present law, GO Zone bonus depreciation applies to non-residential real property and residential rental property in the Mississippi counties of Hancock, Harrison, Jackson, Pearl River, and Stone, and in the Louisiana parishes of Calcasieu, Cameron, Orleans, Plaquemines, St. Bernard, St. Tammany, and Washington, which is placed in service by December 31, 2010, based on the portion of the construction completed by the end of 2009, but only where construction began by December 31, 2007. Under the legislation, the December 31, 2007, construction commencement date requirement is waived. Therefore, GO Zone bonus depreciation would be allowed for non-residential real property and residential rental property placed in service by December 31, 2010, based on the portion of the construction completed by the end of 2009.

For more information on GO Zone or tax benefits under this legislation, contact [Alex Trostorff](#).

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Remember that these legal principles may change and vary widely in their application to specific factual circumstances. You should consult with counsel about your individual circumstances. For further information regarding these issues, contact:

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