



For Immediate Release  
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Contact: Carol Guthrie  
(202) 224-4515

**BAUCUS APPLAUDS HOUSE PASSAGE OF AMENDED BILL  
PROVIDING MORTGAGE TAX RELIEF FOR FAMILIES IN CRISIS**

*Baucus amendment to H.R. 3648 now set to become law by year's end*

*Washington, DC* – Senate Finance Committee Chairman Max Baucus (D-Mont.) applauded House passage today of Senate-amended legislation offering tax relief to American families caught in the sub-prime mortgage crisis. The Senate approved a Baucus amendment to H.R. 3648 last week. When debt is forgiven on a home loan, the homeowner must normally count that debt forgiveness as income and pay taxes on it. The mortgage tax relieve bill creates a three-year exception for debt forgiveness on home loans – helping families already unable to meet their mortgages to avoid incurring large tax bills as well. It also extends a provision allowing homeowners to deduct mortgage insurance payments from their taxable income. The bill will now go to the White House for signature into law.

**“Far too many folks have seen the American dream of homeownership slip through their hands this year. What better news could Congress bring to struggling homeowners in the holiday season than the news that help is on the way?”** said Baucus. **“It’s right that Congress came together to help homeowners in trouble with smart and targeted tax relief, and I look forward to seeing the President sign this bill into law.”**

In addition to tax relief for debt forgiveness and mortgage insurance payments, the bill includes:

- Tax relief for volunteer firefighters and emergency medical technicians
- Help to expand housing options for college students with children
- Protection of tax relief for homeowners after the death of a spouse
- Flexibility to help co-op tenant/owners deduct real estate taxes and mortgage insurance

The bill is fully offset by increased penalties for failure to file S corporation returns or partnership returns, and new requirements for the payment of corporate estimated taxes.

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