

(ii) the earned income of the taxpayer for the preceding taxable year shall be the sum of the earned income of each spouse for such preceding taxable year.

**(B) Uniform application of election**

Any election made under paragraph (1) shall apply with respect to both sections 24(d) and section 32.

**(C) Errors treated as mathematical error**

For purposes of section 6213, an incorrect use on a return of earned income pursuant to paragraph (1) shall be treated as a mathematical or clerical error.

**(D) No effect on determination of gross income, etc.**

Except as otherwise provided in this subsection, this title shall be applied without regard to any substitution under paragraph (1).

**(e) Secretarial authority to make adjustments regarding taxpayer and dependency status**

With respect to taxable years beginning in 2005 or 2006, the Secretary may make such adjustments in the application of the internal revenue laws as may be necessary to ensure that taxpayers do not lose any deduction or credit or experience a change of filing status by reason of temporary relocations by reason of Hurricane Katrina, Hurricane Rita, or Hurricane Wilma. Any adjustments made under the preceding sentence shall ensure that an individual is not taken into account by more than one taxpayer with respect to the same tax benefit.

(Added Pub. L. 109-135, title II, §201(a), Dec. 21, 2005, 119 Stat. 2604; amended Pub. L. 110-172, §11(a)(14)(C), Dec. 29, 2007, 121 Stat. 2485.)

AMENDMENTS

2007—Subsec. (a)(2)(A)(i). Pub. L. 110-172 substituted “subparagraph (G)” for “subparagraph (F)”.

**§ 1400T. Special rules for mortgage revenue bonds**

**(a) In general**

In the case of financing provided with respect to owner-occupied residences in the GO Zone, the Rita GO Zone, or the Wilma GO Zone, section 143 shall be applied—

- (1) by treating any such residence in the Rita GO Zone or the Wilma GO Zone as a targeted area residence,
- (2) by applying subsection (f)(3) thereof without regard to subparagraph (A) thereof, and
- (3) by substituting “\$150,000” for “\$15,000” in subsection (k)(4) thereof.

**(b) Application**

Subsection (a) shall not apply to financing provided after December 31, 2010.

(Added Pub. L. 109-135, title II, §201(a), Dec. 21, 2005, 119 Stat. 2607.)

PART III—RECOVERY ZONE BONDS

Sec.

- 1400U-1. Allocation of recovery zone bonds.  
 1400U-2. Recovery zone economic development bonds.  
 1400U-3. Recovery zone facility bonds.

**§ 1400U-1. Allocation of recovery zone bonds**

**(a) Allocations**

**(1) In general**

**(A) General allocation**

The Secretary shall allocate the national recovery zone economic development bond limitation and the national recovery zone facility bond limitation among the States in the proportion that each such State's 2008 State employment decline bears to the aggregate of the 2008 State employment declines for all of the States.

**(B) Minimum allocation**

The Secretary shall adjust the allocations under subparagraph (A) for any calendar year for each State to the extent necessary to ensure that no State receives less than 0.9 percent of the national recovery zone economic development bond limitation and 0.9 percent of the national recovery zone facility bond limitation.

**(2) 2008 State employment decline**

For purposes of this subsection, the term “2008 State employment decline” means, with respect to any State, the excess (if any) of—

- (A) the number of individuals employed in such State determined for December 2007, over
- (B) the number of individuals employed in such State determined for December 2008.

**(3) Allocations by States**

**(A) In general**

Each State with respect to which an allocation is made under paragraph (1) shall reallocate such allocation among the counties and large municipalities in such State in the proportion to<sup>1</sup> each such county's or municipality's 2008 employment decline bears to the aggregate of the 2008 employment declines for all the counties and municipalities in such State. A county or municipality may waive any portion of an allocation made under this subparagraph.

**(B) Large municipalities**

For purposes of subparagraph (A), the term “large municipality” means a municipality with a population of more than 100,000.

**(C) Determination of local employment declines**

For purposes of this paragraph, the employment decline of any municipality or county shall be determined in the same manner as determining the State employment decline under paragraph (2), except that in the case of a municipality any portion of which is in a county, such portion shall be treated as part of such municipality and not part of such county.

**(4) National limitations**

**(A) Recovery zone economic development bonds**

There is a national recovery zone economic development bond limitation of \$10,000,000,000.

<sup>1</sup> So in original.