

116TH CONGRESS
1ST SESSION

H. R. 1148

To provide for disaster tax relief.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 11, 2019

Mr. RICE of South Carolina (for himself, Mr. DUNN, and Mr. SABLAN) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To provide for disaster tax relief.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “2018 Natural Disasters Tax Relief Act”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.
- Sec. 3. Special disaster-related rules for use of retirement funds.
- Sec. 4. Employee retention credit for employers affected by qualified disasters.
- Sec. 5. Other disaster-related tax relief provisions.
- Sec. 6. Treatment of certain possessions.
- Sec. 7. Automatic extension of filing deadline.

1 **SEC. 2. DEFINITIONS.**

2 For purposes of this Act—

3 (1) GENERAL DEFINITIONS.—

4 (A) QUALIFIED DISASTER AREA.—The
5 term “qualified disaster area” means the Hurri-
6 cane Florence disaster area; the Hurricane Mi-
7 chael disaster area; the Typhoon Mangkhut dis-
8 aster area; the Typhoon Yutu disaster area; the
9 Mendocino wildfire disaster area; the Camp and
10 Woolsey wildfire disaster area; the Kilauea vol-
11 canic eruption and earthquakes disaster area;
12 the Hawaii severe storms, flooding, landslides,
13 and mudslides disaster area; the Wisconsin se-
14 vere storms, tornadoes, straight-line winds,
15 flooding, and landslides disaster area; the Texas
16 severe storms and flooding disaster area; the
17 North Carolina tornado and severe storms dis-
18 aster area; the Indiana severe storms and flood-
19 ing disaster area; the Alabama severe storms
20 and tornadoes disaster area; and the Tropical
21 Storm Gita disaster area.

22 (B) QUALIFIED DISASTER ZONE.—The
23 term “qualified disaster zone” means that por-
24 tion of any qualified disaster area which is de-
25 termined by the President to warrant individual
26 or individual and public assistance from the

1 Federal Government under the Robert T. Staf-
2 ford Disaster Relief and Emergency Assistance
3 Act by reason of the qualified disaster with re-
4 spect to such disaster area.

5 (C) QUALIFIED DISASTER.—The term
6 “qualified disaster” means, with respect to any
7 qualified disaster area, the disaster by reason of
8 which a major disaster was declared with re-
9 spect to such area.

10 (2) HURRICANE FLORENCE.—

11 (A) HURRICANE FLORENCE DISASTER
12 AREA.—The term “Hurricane Florence disaster
13 area” means an area with respect to which a
14 major disaster has been declared by the Presi-
15 dent on or before December 17, 2018, under
16 section 401 of the Robert T. Stafford Disaster
17 Relief and Emergency Assistance Act by reason
18 of Hurricane Florence.

19 (B) INCIDENT BEGINNING DATE.—The in-
20 cident beginning date of Hurricane Florence is
21 September 7, 2018.

22 (C) INCIDENT PERIOD.—The incident pe-
23 riod of Hurricane Florence is the period begin-
24 ning on the incident beginning date of Hurri-
25 cane Florence and ending on October 8, 2018.

1 (3) HURRICANE MICHAEL.—

2 (A) HURRICANE MICHAEL DISASTER
3 AREA.—The term “Hurricane Michael disaster
4 area” means an area with respect to which a
5 major disaster has been declared by the Presi-
6 dent on or before December 17, 2018, under
7 section 401 of the Robert T. Stafford Disaster
8 Relief and Emergency Assistance Act by reason
9 of Hurricane Michael.

10 (B) INCIDENT BEGINNING DATE.—The in-
11 cident beginning date of Hurricane Michael is
12 October 7, 2018.

13 (C) INCIDENT PERIOD.—The incident pe-
14 riod of Hurricane Michael is the period begin-
15 ning on the incident beginning date of Hurri-
16 cane Michael and ending on October 23, 2018.

17 (4) TYPHOON MANGKHUT.—

18 (A) TYPHOON MANGKHUT DISASTER
19 AREA.—The term “Typhoon Mangkhut disaster
20 area” means an area with respect to which a
21 major disaster has been declared by the Presi-
22 dent on or before December 17, 2018, under
23 section 401 of the Robert T. Stafford Disaster
24 Relief and Emergency Assistance Act by reason
25 of Typhoon Mangkhut.

1 (B) INCIDENT BEGINNING DATE.—The in-
2 cident beginning date of Typhoon Mangkhut is
3 September 10, 2018.

4 (C) INCIDENT PERIOD.—The incident pe-
5 riod of Typhoon Mangkhut is the period begin-
6 ning on the incident beginning date of Typhoon
7 Mangkhut and ending on September 11, 2018.

8 (5) TYPHOON YUTU.—

9 (A) TYPHOON YUTU DISASTER AREA.—The
10 term “Typhoon Yutu disaster area” means an
11 area with respect to which a major disaster has
12 been declared by the President on or before De-
13 cember 17, 2018, under section 401 of the Rob-
14 ert T. Stafford Disaster Relief and Emergency
15 Assistance Act by reason of Typhoon Yutu.

16 (B) INCIDENT BEGINNING DATE.—The in-
17 cident beginning date of Typhoon Yutu is Octo-
18 ber 24, 2018.

19 (C) INCIDENT PERIOD.—The incident pe-
20 riod of Typhoon Yutu is the period beginning
21 on the incident beginning date of Typhoon Yutu
22 and ending on October 26, 2018.

23 (6) MENDOCINO WILDFIRE.—

24 (A) MENDOCINO WILDFIRE DISASTER
25 AREA.—The term “Mendocino wildfire disaster

1 area” means an area with respect to which,
2 during the period beginning on August 4, 2018,
3 and ending on December 17, 2018, a major dis-
4 aster has been declared by the President under
5 section 401 of the Robert T. Stafford Disaster
6 Relief and Emergency Assistance Act by reason
7 of the wildfire in California commonly known as
8 the Mendocino wildfire of 2018 (including the
9 Carr wildfire of 2018).

10 (B) INCIDENT BEGINNING DATE.—The in-
11 cident beginning date of the wildfires referred
12 to in subparagraph (A) is July 23, 2018.

13 (C) INCIDENT PERIOD.—The incident pe-
14 riod of the wildfires referred to in subparagraph
15 (A) is the period beginning on the incident be-
16 ginning date of such wildfires and ending on
17 September 19, 2018.

18 (7) CAMP AND WOOLSEY WILDFIRES.—

19 (A) CAMP AND WOOLSEY WILDFIRE DIS-
20 ASTER AREA.—The term “Camp and Woolsey
21 wildfire disaster area” means an area with re-
22 spect to which, during the period beginning on
23 November 12, 2018, and ending on December
24 17, 2018, a major disaster has been declared by
25 the President under section 401 of the Robert

1 T. Stafford Disaster Relief and Emergency As-
2 sistance Act by reason of the wildfires in Cali-
3 fornia commonly known as the Camp and Wool-
4 sey wildfires of 2018 (including the Hill wildfire
5 of 2018).

6 (B) INCIDENT BEGINNING DATE.—The in-
7 cident beginning date of the wildfires referred
8 to in subparagraph (A) is November 8, 2018.

9 (C) INCIDENT PERIOD.—The incident pe-
10 riod of the wildfires referred to in subparagraph
11 (A) is the period beginning on the incident be-
12 ginning date of such wildfires and ending on
13 November 25, 2018.

14 (8) KILAUEA VOLCANIC ERUPTION AND EARTH-
15 QUAKES.—

16 (A) KILAUEA VOLCANIC ERUPTION AND
17 EARTHQUAKES DISASTER AREA.—The term
18 “Kilauea volcanic eruption and earthquakes dis-
19 aster area” means an area with respect to
20 which, during the period beginning on May 11,
21 2018, and ending on December 17, 2018, a
22 major disaster has been declared by the Presi-
23 dent under section 401 of the Robert T. Staf-
24 ford Disaster Relief and Emergency Assistance
25 Act by reason of the Kilauea volcanic eruption

1 and earthquakes occurring in Hawaii during the
2 period beginning on May 3, 2018, and ending
3 on August 17, 2018.

4 (B) INCIDENT BEGINNING DATE.—The in-
5 cident beginning date of the volcanic eruption
6 and earthquakes referred to in subparagraph
7 (A) is May 3, 2018.

8 (C) INCIDENT PERIOD.—The incident pe-
9 riod of the volcanic eruption and earthquakes
10 referred to in subparagraph (A) is the period
11 beginning on the incident beginning date with
12 respect to such eruption and earthquakes and
13 ending on August 17, 2018.

14 (9) HAWAII SEVERE STORMS, FLOODING, LAND-
15 SLIDES, AND MUDSLIDES.—

16 (A) HAWAII SEVERE STORMS, FLOODING,
17 LANDSLIDES, AND MUDSLIDES DISASTER
18 AREA.—The term “Hawaii severe storms, flood-
19 ing, landslides, and mudslides disaster area”
20 means an area with respect to which, during
21 the period beginning on May 8, 2018, and end-
22 ing on December 17, 2018, a major disaster
23 has been declared by the President under sec-
24 tion 401 of the Robert T. Stafford Disaster Re-
25 lief and Emergency Assistance Act by reason of

1 the severe storms, flooding, landslides, and
2 mudslides occurring in Hawaii during the pe-
3 riod beginning on April 13, 2018, and ending
4 on April 16, 2018.

5 (B) INCIDENT BEGINNING DATE.—The in-
6 cident beginning date of the severe storms,
7 flooding, landslides, and mudslides referred to
8 in subparagraph (A) is April 13, 2018.

9 (C) INCIDENT PERIOD.—The incident pe-
10 riod of the severe storms, flooding, landslides,
11 and mudslides referred to in subparagraph (A)
12 is the period beginning on the incident begin-
13 ning date with respect to such severe storms,
14 flooding, landslides, and mudslides and ending
15 on April 16, 2018.

16 (10) WISCONSIN SEVERE STORMS, TORNADOES,
17 STRAIGHT-LINE WINDS, FLOODING, AND LAND-
18 SLIDES.—

19 (A) WISCONSIN SEVERE STORMS, TORNA-
20 DOES, STRAIGHT-LINE WINDS, FLOODING, AND
21 LANDSLIDES DISASTER AREA.—The term “Wis-
22 consin severe storms, tornadoes, straight-line
23 winds, flooding, and landslides disaster area”
24 means an area with respect to which, during
25 the period beginning on October 18, 2018, and

1 ending on December 17, 2018, a major disaster
2 has been declared by the President under sec-
3 tion 401 of the Robert T. Stafford Disaster Re-
4 lief and Emergency Assistance Act by reason of
5 the severe storms, tornadoes, straight-line
6 winds, flooding, and landslides occurring in
7 Wisconsin during the period beginning on Au-
8 gust 17, 2018, and ending on September 14,
9 2018.

10 (B) INCIDENT BEGINNING DATE.—The in-
11 cident beginning date of the severe storms, tor-
12 nadoes, straight-line winds, flooding, and land-
13 slides referred to in subparagraph (A) is Au-
14 gust 17, 2018.

15 (C) INCIDENT PERIOD.—The incident pe-
16 riod of the severe storms, tornadoes, straight-
17 line winds, flooding, and landslides referred to
18 in subparagraph (A) is the period beginning on
19 the incident beginning date with respect to such
20 severe storms, tornadoes, straight-line winds,
21 flooding, and landslides and ending on Sep-
22 tember 14, 2018.

23 (11) TEXAS SEVERE STORMS AND FLOODING.—

24 (A) TEXAS SEVERE STORMS AND FLOOD-
25 ING DISASTER AREA.—The term “Texas severe

1 storms and flooding disaster area” means an
2 area with respect to which, during the period
3 beginning on July 6, 2018, and ending on De-
4 cember 17, 2018, a major disaster has been de-
5 clared by the President under section 401 of
6 the Robert T. Stafford Disaster Relief and
7 Emergency Assistance Act by reason of the se-
8 vere storms and flooding occurring in Texas
9 during the period beginning on June 19, 2018,
10 and ending on July 13, 2018.

11 (B) INCIDENT BEGINNING DATE.—The in-
12 cident beginning date of the severe storms and
13 flooding referred to in subparagraph (A) is
14 June 19, 2018.

15 (C) INCIDENT PERIOD.—The incident pe-
16 riod of the severe storms and flooding referred
17 to in subparagraph (A) is the period beginning
18 on the incident beginning date with respect to
19 such severe storms and flooding and ending on
20 July 13, 2018.

21 (12) NORTH CAROLINA TORNADO AND SEVERE
22 STORMS.—

23 (A) NORTH CAROLINA TORNADO AND SE-
24 VERE STORMS DISASTER AREA.—The term
25 “North Carolina tornado and severe storms dis-

1 aster area” means an area with respect to
2 which, during the period beginning on May 8,
3 2018, and ending on December 17, 2018, a
4 major disaster has been declared by the Presi-
5 dent under section 401 of the Robert T. Staf-
6 ford Disaster Relief and Emergency Assistance
7 Act by reason of the tornado and severe storms
8 occurring in North Carolina on April 15, 2018.

9 (B) INCIDENT BEGINNING DATE; INCIDENT
10 PERIOD.—The incident beginning date, and the
11 incident period, of the tornado and severe
12 storms referred to in subparagraph (A) is April
13 15, 2018.

14 (13) INDIANA SEVERE STORMS AND FLOOD-
15 ING.—

16 (A) INDIANA SEVERE STORMS AND FLOOD-
17 ING DISASTER AREA.—The term “Indiana se-
18 vere storms and flooding disaster area” means
19 an area with respect to which, during the period
20 beginning on May 4, 2018, and ending on De-
21 cember 17, 2018, a major disaster has been de-
22 clared by the President under section 401 of
23 the Robert T. Stafford Disaster Relief and
24 Emergency Assistance Act by reason of the se-
25 vere storms and flooding occurring in Indiana

1 during the period beginning on February 14,
2 2018, and ending on March 4, 2018.

3 (B) INCIDENT BEGINNING DATE.—The in-
4 cident beginning date of the severe storms and
5 flooding referred to in subparagraph (A) is
6 February 14, 2018.

7 (C) INCIDENT PERIOD.—The incident pe-
8 riod of the severe storms and flooding referred
9 to in subparagraph (A) is the period beginning
10 on the incident beginning date with respect to
11 such severe storms and flooding and ending on
12 March 4, 2018.

13 (14) ALABAMA SEVERE STORMS AND TORNA-
14 DOES.—

15 (A) ALABAMA SEVERE STORMS AND TOR-
16 NADOES DISASTER AREA.—The term “Alabama
17 severe storms and tornadoes disaster area”
18 means an area with respect to which, during
19 the period beginning on April 26, 2018, and
20 ending on December 17, 2018, a major disaster
21 has been declared by the President under sec-
22 tion 401 of the Robert T. Stafford Disaster Re-
23 lief and Emergency Assistance Act by reason of
24 the severe storms and tornadoes occurring in

1 Alabama during the period beginning on March
2 19, 2018, and ending on March 20, 2018.

3 (B) INCIDENT BEGINNING DATE.—The in-
4 cident beginning date of the severe storms and
5 tornadoes referred to in subparagraph (A) is
6 March 19, 2018.

7 (C) INCIDENT PERIOD.—The incident pe-
8 riod of the severe storms and tornadoes referred
9 to in subparagraph (A) is the period beginning
10 on the incident beginning date with respect to
11 such severe storms and tornadoes and ending
12 on March 20, 2018.

13 (15) TROPICAL STORM GITA.—

14 (A) TROPICAL STORM GITA DISASTER
15 AREA.—The term “Tropical Storm Gita dis-
16 aster area” means an area with respect to
17 which a major disaster has been declared by the
18 President on or before December 17, 2018,
19 under section 401 of the Robert T. Stafford
20 Disaster Relief and Emergency Assistance Act
21 by reason of Tropical Storm Gita.

22 (B) INCIDENT BEGINNING DATE.—The in-
23 cident beginning date of Tropical Storm Gita is
24 February 7, 2018.

1 (C) INCIDENT PERIOD.—The incident pe-
 2 riod of Tropical Storm Gita is the period begin-
 3 ning on the incident beginning date of Tropical
 4 Storm Gita and ending on February 12, 2018.

5 **SEC. 3. SPECIAL DISASTER-RELATED RULES FOR USE OF**
 6 **RETIREMENT FUNDS.**

7 (a) TAX-FAVORED WITHDRAWALS FROM RETIRE-
 8 MENT PLANS.—

9 (1) IN GENERAL.—Section 72(t) of the Internal
 10 Revenue Code of 1986 shall not apply to any quali-
 11 fied disaster distribution.

12 (2) AGGREGATE DOLLAR LIMITATION.—

13 (A) IN GENERAL.—For purposes of this
 14 subsection, the aggregate amount of distribu-
 15 tions received by an individual which may be
 16 treated as qualified disaster distributions for
 17 any taxable year shall not exceed the excess (if
 18 any) of—

19 (i) \$100,000, over

20 (ii) the aggregate amounts treated as
 21 qualified disaster distributions received by
 22 such individual for all prior taxable years.

23 (B) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual would
 24 (without regard to subparagraph (A)) be a
 25

1 qualified disaster distribution, a plan shall not
2 be treated as violating any requirement of the
3 Internal Revenue Code of 1986 merely because
4 the plan treats such distribution as a qualified
5 disaster distribution, unless the aggregate
6 amount of such distributions from all plans
7 maintained by the employer (and any member
8 of any controlled group which includes the em-
9 ployer) to such individual exceeds \$100,000.

10 (C) CONTROLLED GROUP.—For purposes
11 of subparagraph (B), the term “controlled
12 group” means any group treated as a single
13 employer under subsection (b), (c), (m), or (o)
14 of section 414 of the Internal Revenue Code of
15 1986.

16 (D) SPECIAL RULE FOR INDIVIDUALS AF-
17 FECTED BY MORE THAN ONE DISASTER.—The
18 limitation of subparagraph (A) shall be applied
19 separately with respect to distributions made
20 with respect to each qualified disaster which is
21 described in a separate paragraph of section 2.

22 (3) AMOUNT DISTRIBUTED MAY BE REPAID.—

23 (A) IN GENERAL.—Any individual who re-
24 ceives a qualified disaster distribution may, at
25 any time during the 3-year period beginning on

1 the day after the date on which such distribu-
2 tion was received, make 1 or more contributions
3 in an aggregate amount not to exceed the
4 amount of such distribution to an eligible retire-
5 ment plan of which such individual is a bene-
6 ficiary and to which a rollover contribution of
7 such distribution could be made under section
8 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or
9 457(e)(16), of the Internal Revenue Code of
10 1986, as the case may be.

11 (B) TREATMENT OF REPAYMENTS OF DIS-
12 TRIBUTIONS FROM ELIGIBLE RETIREMENT
13 PLANS OTHER THAN IRAS.—For purposes of
14 the Internal Revenue Code of 1986, if a con-
15 tribution is made pursuant to subparagraph (A)
16 with respect to a qualified disaster distribution
17 from an eligible retirement plan other than an
18 individual retirement plan, then the taxpayer
19 shall, to the extent of the amount of the con-
20 tribution, be treated as having received the
21 qualified disaster distribution in an eligible roll-
22 over distribution (as defined in section
23 402(c)(4) of such Code) and as having trans-
24 ferred the amount to the eligible retirement

1 plan in a direct trustee to trustee transfer with-
2 in 60 days of the distribution.

3 (C) TREATMENT OF REPAYMENTS OF DIS-
4 TRIBUTIONS FROM IRAS.—For purposes of the
5 Internal Revenue Code of 1986, if a contribu-
6 tion is made pursuant to subparagraph (A)
7 with respect to a qualified disaster distribution
8 from an individual retirement plan (as defined
9 by section 7701(a)(37) of such Code), then, to
10 the extent of the amount of the contribution,
11 the qualified disaster distribution shall be treat-
12 ed as a distribution described in section
13 408(d)(3) of such Code and as having been
14 transferred to the eligible retirement plan in a
15 direct trustee to trustee transfer within 60 days
16 of the distribution.

17 (4) DEFINITIONS.—For purposes of this sub-
18 section—

19 (A) QUALIFIED DISASTER DISTRIBUTU-
20 TION.—Except as provided in paragraph (2),
21 the term “qualified disaster distribution” means
22 any distribution from an eligible retirement
23 plan made on or after the incident beginning
24 date of a qualified disaster and before January
25 1, 2020, to an individual whose principal place

1 of abode at any time during the incident period
 2 of such qualified disaster is located in the quali-
 3 fied disaster area with respect to such qualified
 4 disaster and who has sustained an economic
 5 loss by reason of such qualified disaster.

6 (B) ELIGIBLE RETIREMENT PLAN.—The
 7 term “eligible retirement plan” shall have the
 8 meaning given such term by section
 9 402(c)(8)(B) of the Internal Revenue Code of
 10 1986.

11 (5) INCOME INCLUSION SPREAD OVER 3-YEAR
 12 PERIOD.—

13 (A) IN GENERAL.—In the case of any
 14 qualified disaster distribution, unless the tax-
 15 payer elects not to have this paragraph apply
 16 for any taxable year, any amount required to be
 17 included in gross income for such taxable year
 18 shall be so included ratably over the 3-taxable-
 19 year period beginning with such taxable year.

20 (B) SPECIAL RULE.—For purposes of sub-
 21 paragraph (A), rules similar to the rules of sub-
 22 paragraph (E) of section 408A(d)(3) of the In-
 23 ternal Revenue Code of 1986 shall apply.

24 (6) SPECIAL RULES.—

1 (A) EXEMPTION OF DISTRIBUTIONS FROM
 2 TRUSTEE TO TRUSTEE TRANSFER AND WITH-
 3 HOLDING RULES.—For purposes of sections
 4 401(a)(31), 402(f), and 3405 of the Internal
 5 Revenue Code of 1986, qualified disaster dis-
 6 tributions shall not be treated as eligible roll-
 7 over distributions.

8 (B) QUALIFIED DISASTER DISTRIBUTIONS
 9 TREATED AS MEETING PLAN DISTRIBUTION RE-
 10 QUIREMENTS.—For purposes of the Internal
 11 Revenue Code of 1986, a qualified disaster dis-
 12 tribution shall be treated as meeting the re-
 13 quirements of sections 401(k)(2)(B)(I),
 14 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A)
 15 of such Code.

16 (b) RECONTRIBUTIONS OF WITHDRAWALS FOR
 17 HOME PURCHASES.—

18 (1) RECONTRIBUTIONS.—

19 (A) IN GENERAL.—Any individual who re-
 20 ceived a qualified distribution may, during the
 21 applicable period, make 1 or more contributions
 22 in an aggregate amount not to exceed the
 23 amount of such qualified distribution to an eli-
 24 gible retirement plan (as defined in section
 25 402(c)(8)(B) of the Internal Revenue Code of

1986) of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(b)(8), or 408(d)(3), of such Code, as the case may be.

(B) TREATMENT OF REPAYMENTS.—Rules similar to the rules of subparagraphs (B) and (C) of subsection (a)(3) shall apply for purposes of this subsection.

(2) QUALIFIED DISTRIBUTION.—For purposes of this subsection, the term “qualified distribution” means any distribution—

(A) described in section 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but only to the extent such distribution relates to financial hardship), 403(b)(11)(B), or 72(t)(2)(F), of the Internal Revenue Code of 1986,

(B) which was to be used to purchase or construct a principal residence in a qualified disaster area, but which was not so used on account of the qualified disaster with respect to such area, and

(C) which was received on or after January 1, 2018, and before the date which is 30 days

1 after the last day of the incident period of such
2 qualified disaster.

3 (3) APPLICABLE PERIOD.—For purposes of this
4 subsection, the term “applicable period” means, in
5 the case of a principal residence in a qualified dis-
6 aster area with respect to any qualified disaster, the
7 period beginning on the incident beginning date of
8 such qualified disaster and ending on February 28,
9 2019.

10 (c) LOANS FROM QUALIFIED PLANS.—

11 (1) INCREASE IN LIMIT ON LOANS NOT TREAT-
12 ED AS DISTRIBUTIONS.—In the case of any loan
13 from a qualified employer plan (as defined under
14 section 72(p)(4) of the Internal Revenue Code of
15 1986) to a qualified individual made during the pe-
16 riod beginning on the date of the enactment of this
17 Act and ending on December 31, 2019—

18 (A) clause (i) of section 72(p)(2)(A) of
19 such Code shall be applied by substituting
20 “\$100,000” for “\$50,000”, and

21 (B) clause (ii) of such section shall be ap-
22 plied by substituting “the present value of the
23 nonforfeitable accrued benefit of the employee
24 under the plan” for “one-half of the present

1 value of the nonforfeitable accrued benefit of
2 the employee under the plan”.

3 (2) DELAY OF REPAYMENT.—In the case of a
4 qualified individual (with respect to any qualified
5 disaster) with an outstanding loan on or after the
6 incident beginning date (of such qualified disaster)
7 from a qualified employer plan (as defined in section
8 72(p)(4) of the Internal Revenue Code of 1986)—

9 (A) if the due date pursuant to subpara-
10 graph (B) or (C) of section 72(p)(2) of such
11 Code for any repayment with respect to such
12 loan occurs during the period beginning on the
13 incident beginning date of such qualified dis-
14 aster and ending on December 31, 2019, such
15 due date shall be delayed for 1 year,

16 (B) any subsequent repayments with re-
17 spect to any such loan shall be appropriately
18 adjusted to reflect the delay in the due date
19 under paragraph (1) and any interest accruing
20 during such delay, and

21 (C) in determining the 5-year period and
22 the term of a loan under subparagraph (B) or
23 (C) of section 72(p)(2) of such Code, the period
24 described in subparagraph (A) of this para-
25 graph shall be disregarded.

1 (3) QUALIFIED INDIVIDUAL.—For purposes of
 2 this subsection, the term “qualified individual”
 3 means any individual—

4 (A) whose principal place of abode at any
 5 time during the incident period of any qualified
 6 disaster is located in the qualified disaster area
 7 with respect to such qualified disaster, and

8 (B) who has sustained an economic loss by
 9 reason of such qualified disaster.

10 (d) PROVISIONS RELATING TO PLAN AMEND-
 11 MENTS.—

12 (1) IN GENERAL.—If this subsection applies to
 13 any amendment to any plan or annuity contract,
 14 such plan or contract shall be treated as being oper-
 15 ated in accordance with the terms of the plan during
 16 the period described in paragraph (2)(B)(i).

17 (2) AMENDMENTS TO WHICH SUBSECTION AP-
 18 PLIES.—

19 (A) IN GENERAL.—This subsection shall
 20 apply to any amendment to any plan or annuity
 21 contract which is made—

22 (i) pursuant to any provision of this
 23 section, or pursuant to any regulation
 24 issued by the Secretary or the Secretary of

1 Labor under any provision of this section,
2 and

3 (ii) on or before the last day of the
4 first plan year beginning on or after Janu-
5 ary 1, 2020, or such later date as the Sec-
6 retary may prescribe.

7 In the case of a governmental plan (as defined
8 in section 414(d) of the Internal Revenue Code
9 of 1986), clause (ii) shall be applied by sub-
10 stituting the date which is 2 years after the
11 date otherwise applied under clause (ii).

12 (B) CONDITIONS.—This subsection shall
13 not apply to any amendment unless—

14 (i) during the period—

15 (I) beginning on the date that
16 this section or the regulation de-
17 scribed in subparagraph (A)(i) takes
18 effect (or in the case of a plan or con-
19 tract amendment not required by this
20 section or such regulation, the effec-
21 tive date specified by the plan), and

22 (II) ending on the date described
23 in subparagraph (A)(ii) (or, if earlier,
24 the date the plan or contract amend-
25 ment is adopted),

1 the plan or contract is operated as if such plan
2 or contract amendment were in effect, and
3 (ii) such plan or contract amendment
4 applies retroactively for such period.

5 **SEC. 4. EMPLOYEE RETENTION CREDIT FOR EMPLOYERS**
6 **AFFECTED BY QUALIFIED DISASTERS.**

7 (a) IN GENERAL.—For purposes of section 38 of the
8 Internal Revenue Code of 1986, in the case of an eligible
9 employer, the 2018 qualified disaster employee retention
10 credit shall be treated as a credit listed in subsection (b)
11 of such section. For purposes of this subsection, the 2018
12 qualified disaster employee retention credit for any taxable
13 year is an amount equal to 40 percent of the qualified
14 wages with respect to each eligible employee of such em-
15 ployer for such taxable year. For purposes of the pre-
16 ceding sentence, the amount of qualified wages which may
17 be taken into account with respect to any individual shall
18 not exceed \$6,000.

19 (b) DEFINITIONS.—For purposes of this section—

20 (1) ELIGIBLE EMPLOYER.—The term “eligible
21 employer” means any employer—

22 (A) which conducted an active trade or
23 business in a qualified disaster zone at any time
24 during the incident period of the qualified dis-

1 aster with respect to such qualified disaster
2 zone, and

3 (B) with respect to whom the trade or
4 business described in subparagraph (A) is inop-
5 erable at any time after the incident beginning
6 date of such qualified disaster, and before Jan-
7 uary 1, 2019, as a result of damage sustained
8 by reason of such qualified disaster.

9 (2) ELIGIBLE EMPLOYEE.—The term “eligible
10 employee” means with respect to an eligible em-
11 ployer an employee whose principal place of employ-
12 ment at any time during the incident period of the
13 qualified disaster referred to in paragraph (1) with
14 such eligible employer was in the qualified disaster
15 zone referred to in such paragraph.

16 (3) QUALIFIED WAGES.—The term “qualified
17 wages” means wages (as defined in section 51(c)(1)
18 of the Internal Revenue Code of 1986, but without
19 regard to section 3306(b)(2)(B) of such Code) paid
20 or incurred by an eligible employer with respect to
21 an eligible employee at any time after the incident
22 beginning date of the qualified disaster referred to
23 in paragraph (1), and before January 1, 2019,
24 which occurs during the period—

1 (A) beginning on the date on which the
2 trade or business described in paragraph (1)
3 first became inoperable at the principal place of
4 employment of the employee immediately before
5 the qualified disaster referred to in such para-
6 graph, and

7 (B) ending on the date on which such
8 trade or business has resumed significant oper-
9 ations at such principal place of employment.

10 Such term shall include wages paid without regard
11 to whether the employee performs no services, per-
12 forms services at a different place of employment
13 than such principal place of employment, or per-
14 forms services at such principal place of employment
15 before significant operations have resumed.

16 (c) CERTAIN RULES TO APPLY.—For purposes of
17 this subsection, rules similar to the rules of sections
18 51(i)(1), 52, and 280C(a), of the Internal Revenue Code
19 of 1986, shall apply.

20 (d) EMPLOYEE NOT TAKEN INTO ACCOUNT MORE
21 THAN ONCE.—An employee shall not be treated as an eli-
22 gible employee for purposes of this subsection for any pe-
23 riod with respect to any employer if such employer is al-
24 lowed a credit under section 51 of the Internal Revenue

1 Code of 1986 with respect to such employee for such pe-
2 riod.

3 **SEC. 5. OTHER DISASTER-RELATED TAX RELIEF PROVI-**
4 **SIONS.**

5 (a) TEMPORARY SUSPENSION OF LIMITATIONS ON
6 CHARITABLE CONTRIBUTIONS.—

7 (1) IN GENERAL.—Except as otherwise pro-
8 vided in paragraph (2), subsection (b) of section 170
9 of the Internal Revenue Code of 1986 shall not
10 apply to qualified contributions and such contribu-
11 tions shall not be taken into account for purposes of
12 applying subsections (b) and (d) of such section to
13 other contributions.

14 (2) TREATMENT OF EXCESS CONTRIBUTIONS.—
15 For purposes of section 170 of the Internal Revenue
16 Code of 1986—

17 (A) INDIVIDUALS.—In the case of an indi-
18 vidual—

19 (i) LIMITATION.—Any qualified con-
20 tribution shall be allowed only to the ex-
21 tent that the aggregate of such contribu-
22 tions does not exceed the excess of the tax-
23 payer's contribution base (as defined in
24 subparagraph (H) of section 170(b)(1) of
25 such Code) over the amount of all other

charitable contributions allowed under section 170(b)(1) of such Code.

(ii) CARRYOVER.—If the aggregate amount of qualified contributions made in the contribution year (within the meaning of section 170(d)(1) of such Code) exceeds the limitation of clause (i), such excess shall be added to the excess described in the portion of subparagraph (A) of such section which precedes clause (i) thereof for purposes of applying such section.

(B) CORPORATIONS.—In the case of a corporation—

(i) LIMITATION.—Any qualified contribution shall be allowed only to the extent that the aggregate of such contributions does not exceed the excess of the taxpayer's taxable income (as determined under paragraph (2) of section 170(b) of such Code) over the amount of all other charitable contributions allowed under such paragraph.

(ii) CARRYOVER.—Rules similar to the rules of subparagraph (A)(ii) shall apply for purposes of this subparagraph.

1 (3) QUALIFIED CONTRIBUTIONS.—

2 (A) IN GENERAL.—For purposes of this
3 subsection, the term “qualified contribution”
4 means any charitable contribution (as defined
5 in section 170(c) of the Internal Revenue Code
6 of 1986) if—

7 (i) such contribution—

8 (I) is paid during the period be-
9 ginning on February 7, 2018, and
10 ending on December 31, 2018, in cash
11 to an organization described in section
12 170(b)(1)(A) of such Code, and

13 (II) is made for relief efforts in
14 one or more qualified disaster areas,

15 (ii) the taxpayer obtains from such or-
16 ganization contemporaneous written ac-
17 knowledgegment (within the meaning of sec-
18 tion 170(f)(8) of such Code) that such con-
19 tribution was used (or is to be used) for
20 relief efforts described in clause (i)(II),
21 and

22 (iii) the taxpayer has elected the ap-
23 plication of this subsection with respect to
24 such contribution.

1 (B) EXCEPTION.—Such term shall not in-
 2 clude a contribution by a donor if the contribu-
 3 tion is—

4 (i) to an organization described in sec-
 5 tion 509(a)(3) of the Internal Revenue
 6 Code of 1986, or

7 (ii) for the establishment of a new, or
 8 maintenance of an existing, donor advised
 9 fund (as defined in section 4966(d)(2) of
 10 such Code).

11 (C) APPLICATION OF ELECTION TO PART-
 12 NERSHIPS AND S CORPORATIONS.—In the case
 13 of a partnership or S corporation, the election
 14 under subparagraph (A)(iii) shall be made sepa-
 15 rately by each partner or shareholder.

16 (b) SPECIAL RULES FOR QUALIFIED DISASTER-RE-
 17 LATED PERSONAL CASUALTY LOSSES.—

18 (1) IN GENERAL.—If an individual has a net
 19 disaster loss for any taxable year—

20 (A) the amount determined under section
 21 165(h)(2)(A)(ii) of the Internal Revenue Code
 22 of 1986 shall be equal to the sum of—

23 (i) such net disaster loss, and
 24 (ii) so much of the excess referred to
 25 in the matter preceding clause (i) of sec-

1 tion 165(h)(2)(A) of such Code (reduced
 2 by the amount in clause (i) of this sub-
 3 paragraph) as exceeds 10 percent of the
 4 adjusted gross income of the individual,

5 (B) section 165(h)(1) of such Code shall
 6 be applied by substituting “\$500” for “\$500
 7 (\$100 for taxable years beginning after Decem-
 8 ber 31, 2009)”,

9 (C) the standard deduction determined
 10 under section 63(c) of such Code shall be in-
 11 creased by the net disaster loss, and

12 (D) section 56(b)(1)(E) of such Code shall
 13 not apply to so much of the standard deduction
 14 as is attributable to the increase under sub-
 15 paragraph (C) of this paragraph.

16 (2) NET DISASTER LOSS.—For purposes of this
 17 subsection, the term “net disaster loss” means the
 18 excess of qualified disaster-related personal casualty
 19 losses over personal casualty gains (as defined in
 20 section 165(h)(3)(A) of the Internal Revenue Code
 21 of 1986).

22 (3) QUALIFIED DISASTER-RELATED PERSONAL
 23 CASUALTY LOSSES.—For purposes of this sub-
 24 section, the term “qualified disaster-related personal
 25 casualty losses” means losses described in section

1 165(c)(3) of the Internal Revenue Code of 1986
2 which arise in a qualified disaster area on or after
3 the incident beginning date of the qualified disaster
4 to which such area relates, and which are attrib-
5 utable to such qualified disaster.

6 (c) SPECIAL RULE FOR DETERMINING EARNED IN-
7 COME.—

8 (1) IN GENERAL.—In the case of a qualified in-
9 dividual, if the earned income of the taxpayer for the
10 applicable taxable year is less than the earned in-
11 come of the taxpayer for the preceding taxable year,
12 the credits allowed under sections 24(d) and 32 of
13 the Internal Revenue Code of 1986 may, at the elec-
14 tion of the taxpayer, be determined by sub-
15 stituting—

16 (A) such earned income for the preceding
17 taxable year, for

18 (B) such earned income for the applicable
19 taxable year.

20 (2) QUALIFIED INDIVIDUAL.—For purposes of
21 this subsection, the term “qualified individual”
22 means any individual whose principal place of abode
23 at any time during the incident period of any quali-
24 fied disaster was located—

1 (A) in the qualified disaster zone with re-
2 spect to such qualified disaster, or

3 (B) in the qualified disaster area with re-
4 spect to such qualified disaster (but outside the
5 qualified disaster zone with respect to such
6 qualified disaster) and such individual was dis-
7 placed from such principal place of abode by
8 reason of such qualified disaster.

9 (3) APPLICABLE TAXABLE YEAR.—The term
10 “applicable taxable year” means, with respect to any
11 qualified individual, any taxable year which includes
12 any day during the incident period of the qualified
13 disaster to which the qualified disaster area referred
14 to in paragraph (2) relates.

15 (4) EARNED INCOME.—For purposes of this
16 subsection, the term “earned income” has the mean-
17 ing given such term under section 32(c) of the Inter-
18 nal Revenue Code of 1986.

19 (5) SPECIAL RULES.—

20 (A) APPLICATION TO JOINT RETURNS.—

21 For purposes of paragraph (1), in the case of
22 a joint return for an applicable taxable year—

23 (i) such paragraph shall apply if ei-
24 ther spouse is a qualified individual, and

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

5 (B) UNIFORM APPLICATION OF ELEC-
 6 TION.—Any election made under paragraph (1)
 7 shall apply with respect to both sections 24(d)
 8 and 32 of the Internal Revenue Code of 1986.

9 (C) ERRORS TREATED AS MATHEMATICAL
 10 ERROR.—For purposes of section 6213 of the
 11 Internal Revenue Code of 1986, an incorrect
 12 use on a return of earned income pursuant to
 13 paragraph (1) shall be treated as a mathe-
 14 matical or clerical error.

15 (D) NO EFFECT ON DETERMINATION OF
 16 GROSS INCOME, ETC.—Except as otherwise pro-
 17 vided in this subsection, the Internal Revenue
 18 Code of 1986 shall be applied without regard to
 19 any substitution under paragraph (1).

20 **SEC. 6. TREATMENT OF CERTAIN POSSESSIONS.**

21 (a) PAYMENTS TO GUAM AND THE COMMONWEALTH
 22 OF THE NORTHERN MARIANA ISLANDS.—The Secretary
 23 of the Treasury shall pay to Guam and the Commonwealth
 24 of the Northern Mariana Islands amounts equal to the loss
 25 to that possession by reason of the application of the pro-

visions of this Act. Such amounts shall be determined by the Secretary of the Treasury based on information provided by the government of the respective possession.

(b) PAYMENTS TO AMERICAN SAMOA.—

(1) IN GENERAL.—The Secretary of the Treasury shall pay to American Samoa amounts estimated by the Secretary of the Treasury as being equal to the aggregate benefits that would have been provided to residents of American Samoa by reason of the provisions of this Act if a mirror code tax system had been in effect in American Samoa. The preceding sentence shall not apply unless American Samoa has a plan, which has been approved by the Secretary of the Treasury, under which American Samoa will promptly distribute such payments to its residents.

(2) MIRROR CODE TAX SYSTEM.—For purposes of this subsection, the term “mirror code tax system” means, with respect to any possession of the United States, the income tax system of such possession if the income tax liability of the residents of such possession under such system is determined by reference to the income tax laws of the United States as if such possession were the United States.

1 (c) TREATMENT OF PAYMENTS.—For purposes of
2 section 1324 of title 31, United States Code, the payments
3 under this section shall be treated in the same manner
4 as a refund due from a credit provision referred to in sub-
5 section (b)(2) of such section.

6 **SEC. 7. AUTOMATIC EXTENSION OF FILING DEADLINE.**

7 (a) IN GENERAL.—Section 7508A is amended by
8 adding at the end the following new subsection:

9 “(d) MANDATORY 60-DAY EXTENSION.—In the case
10 of—

11 “(1) any individual whose principal place of
12 abode is in a disaster area (as defined in section
13 165(i)(5)(B)), and

14 “(2) any taxpayer if the taxpayer’s principal
15 place of business (other than the business of per-
16 forming services of an employee) is located in a dis-
17 aster area (as so defined),

18 the period beginning on the earliest incident date specified
19 in the declaration to which such area relates and ending
20 on the date which is 60 days after the latest incident date
21 so specified shall be disregarded in the same manner as
22 a period specified under subsection (a).”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to federally declared disasters de-
3 clared after December 31, 2018.

○