

116TH CONGRESS  
1ST SESSION

# H. R. 2145

To provide disaster relief.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 9, 2019

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

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## A BILL

To provide disaster 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.**

4 This Act may be cited as the “Disaster Tax Relief  
5 Act of 2019”.

6 **SEC. 2. DEFINITIONS.**

7 For purposes of this Act—

8 (1) **QUALIFIED DISASTER AREA.**—The term  
9 “qualified disaster area” means any area with re-  
10 spect to which a major disaster was declared, during  
11 the period beginning on January 1, 2018, and end-

1 ing on the date of the enactment of this Act, by the  
2 President under section 401 of the Robert T. Staf-  
3 ford Disaster Relief and Emergency Assistance Act  
4 if the incident period of the disaster with respect to  
5 which such declaration is made begins after January  
6 1, 2018, and before the date of the enactment of  
7 this Act.

8 (2) QUALIFIED DISASTER ZONE.—The term  
9 “qualified disaster zone” means that portion of any  
10 qualified disaster area which is determined by the  
11 President to warrant individual or individual and  
12 public assistance from the Federal Government  
13 under the Robert T. Stafford Disaster Relief and  
14 Emergency Assistance Act by reason of the qualified  
15 disaster with respect to such disaster area.

16 (3) QUALIFIED DISASTER.—The term “quali-  
17 fied disaster” means, with respect to any qualified  
18 disaster area, the disaster by reason of which a  
19 major disaster was declared with respect to such  
20 area.

21 (4) INCIDENT PERIOD.—The term “incident pe-  
22 riod” means, with respect to any qualified disaster,  
23 the period specified by the Federal Emergency Man-  
24 agement Agency as the period during which such  
25 disaster occurred.

1 **SEC. 3. SPECIAL DISASTER-RELATED RULES FOR USE OF**  
2 **RETIREMENT FUNDS.**

3 (a) TAX-FAVORED WITHDRAWALS FROM RETIRE-  
4 MENT PLANS.—

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

8 (2) AGGREGATE DOLLAR LIMITATION.—

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

15 (i) \$100,000, over

16 (ii) the aggregate amounts treated as  
17 qualified disaster distributions received by  
18 such individual for all prior taxable years.

19 (B) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual would  
20 (without regard to subparagraph (A)) be a  
21 qualified disaster distribution, a plan shall not  
22 be treated as violating any requirement of the  
23 Internal Revenue Code of 1986 merely because  
24 the plan treats such distribution as a qualified  
25 disaster distribution, unless the aggregate  
26

1 amount of such distributions from all plans  
2 maintained by the employer (and any member  
3 of any controlled group which includes the em-  
4 ployer) to such individual exceeds \$100,000.

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

11 (D) SPECIAL RULE FOR INDIVIDUALS AF-  
12 FECTED BY MORE THAN ONE DISASTER.—The  
13 limitation of subparagraph (A) shall be applied  
14 separately with respect to distributions made  
15 with respect to each qualified disaster.

16 (3) AMOUNT DISTRIBUTED MAY BE REPAID.—

17 (A) IN GENERAL.—Any individual who re-  
18 ceives a qualified disaster distribution may, at  
19 any time during the 3-year period beginning on  
20 the day after the date on which such distribu-  
21 tion was received, make one or more contribu-  
22 tions in an aggregate amount not to exceed the  
23 amount of such distribution to an eligible retire-  
24 ment plan of which such individual is a bene-  
25 ficiary and to which a rollover contribution of

1 such distribution could be made under section  
2 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or  
3 457(e)(16), of the Internal Revenue Code of  
4 1986, as the case may be.

5 (B) TREATMENT OF REPAYMENTS OF DIS-  
6 TRIBUTIONS FROM ELIGIBLE RETIREMENT  
7 PLANS OTHER THAN IRAS.—For purposes of  
8 the Internal Revenue Code of 1986, if a con-  
9 tribution is made pursuant to subparagraph (A)  
10 with respect to a qualified disaster distribution  
11 from an eligible retirement plan other than an  
12 individual retirement plan, then the taxpayer  
13 shall, to the extent of the amount of the con-  
14 tribution, be treated as having received the  
15 qualified disaster distribution in an eligible roll-  
16 over distribution (as defined in section  
17 402(c)(4) of such Code) and as having trans-  
18 ferred the amount to the eligible retirement  
19 plan in a direct trustee to trustee transfer with-  
20 in 60 days of the distribution.

21 (C) TREATMENT OF REPAYMENTS OF DIS-  
22 TRIBUTIONS FROM IRAS.—For purposes of the  
23 Internal Revenue Code of 1986, if a contribu-  
24 tion is made pursuant to subparagraph (A)  
25 with respect to a qualified disaster distribution

1 from an individual retirement plan (as defined  
2 by section 7701(a)(37) of such Code), then, to  
3 the extent of the amount of the contribution,  
4 the qualified disaster distribution shall be treat-  
5 ed as a distribution described in section  
6 408(d)(3) of such Code and as having been  
7 transferred to the eligible retirement plan in a  
8 direct trustee to trustee transfer within 60 days  
9 of the distribution.

10 (4) DEFINITIONS.—For purposes of this sub-  
11 section—

12 (A) QUALIFIED DISASTER DISTRIBUTION.—Except as provided in paragraph (2),  
13 the term “qualified disaster distribution” means  
14 any distribution from an eligible retirement  
15 plan made after the incident beginning date of  
16 a qualified disaster and on or before December  
17 31 of the year after the year in which the inci-  
18 dent period with respect to the disaster begins,  
19 to an individual whose principal place of abode  
20 at any time during the incident period of such  
21 qualified disaster is located in the qualified dis-  
22 aster area with respect to such qualified dis-  
23 aster and who has sustained an economic loss  
24 by reason of such qualified disaster.  
25

1 (B) ELIGIBLE RETIREMENT PLAN.—The  
 2 term “eligible retirement plan” shall have the  
 3 meaning given such term by section  
 4 402(c)(8)(B) of the Internal Revenue Code of  
 5 1986.

6 (5) INCOME INCLUSION SPREAD OVER 3-YEAR  
 7 PERIOD.—

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

15 (B) SPECIAL RULE.—For purposes of sub-  
 16 paragraph (A), rules similar to the rules of sub-  
 17 paragraph (E) of section 408A(d)(3) of the In-  
 18 ternal Revenue Code of 1986 shall apply.

19 (6) SPECIAL RULES.—

20 (A) EXEMPTION OF DISTRIBUTIONS FROM  
 21 TRUSTEE TO TRUSTEE TRANSFER AND WITH-  
 22 HOLDING RULES.—For purposes of sections  
 23 401(a)(31), 402(f), and 3405 of the Internal  
 24 Revenue Code of 1986, qualified disaster dis-

1           tributions shall not be treated as eligible roll-  
2           over distributions.

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

11          (b) RECONTRIBUTIONS OF WITHDRAWALS FOR  
12   HOME PURCHASES.—

13                   (1) RECONTRIBUTIONS.—

14                   (A) IN GENERAL.—Any individual who re-  
15           ceived a qualified distribution may, during the  
16           applicable period, make one or more contribu-  
17           tions in an aggregate amount not to exceed the  
18           amount of such qualified distribution to an eli-  
19           gible retirement plan (as defined in section  
20           402(c)(8)(B) of the Internal Revenue Code of  
21           1986) of which such individual is a beneficiary  
22           and to which a rollover contribution of such dis-  
23           tribution could be made under section 402(c),  
24           403(a)(4), 403(b)(8), or 408(d)(3), of such  
25           Code, as the case may be.

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

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

8 (A) described in section  
 9 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but only  
 10 to the extent such distribution relates to finan-  
 11 cial hardship), 403(b)(11)(B), or 72(t)(2)(F),  
 12 of the Internal Revenue Code of 1986,

13 (B) which was to be used to purchase or  
 14 construct a principal residence in a qualified  
 15 disaster area, but which was not so used on ac-  
 16 count of the qualified disaster with respect to  
 17 such area, and

18 (C) which was received on or after the date  
 19 that is 270 days before the first day of incident  
 20 period of the disaster, and before the date  
 21 which is 30 days after the last day of the inci-  
 22 dent period of such qualified disaster.

23 (3) APPLICABLE PERIOD.—For purposes of this  
 24 subsection, the term “applicable period” means, with  
 25 respect to any qualified distribution, the period be-

ginning on the first day of the incident period of the disaster and ending on the date that is 180 days after the last day of such incident period.

(c) LOANS FROM QUALIFIED PLANS.—

(1) INCREASE IN LIMIT ON LOANS NOT TREATED AS DISTRIBUTIONS.—In the case of any loan from a qualified employer plan (as defined under section 72(p)(4) of the Internal Revenue Code of 1986) to a qualified individual made during the period beginning on the date of the enactment of this Act and ending on December 31 of the year after the year in which the incident period with respect to the disaster begins—

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

(B) clause (ii) of such section shall be applied by substituting “the present value of the nonforfeitable accrued benefit of the employee under the plan” for “one-half of the present value of the nonforfeitable accrued benefit of the employee under the plan”.

(2) DELAY OF REPAYMENT.—In the case of a qualified individual (with respect to any qualified disaster) with an outstanding loan on or after the

1 incident beginning date (of such qualified disaster)  
2 from a qualified employer plan (as defined in section  
3 72(p)(4) of the Internal Revenue Code of 1986)—

4 (A) if the due date pursuant to subpara-  
5 graph (B) or (C) of section 72(p)(2) of such  
6 Code for any repayment with respect to such  
7 loan occurs during the period beginning on the  
8 incident beginning date of such qualified dis-  
9 aster and ending on December 31 of the year  
10 after the year in which the incident period with  
11 respect to the disaster begins, such due date  
12 shall be delayed for 1 year,

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

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

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

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

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

7 (d) PROVISIONS RELATING TO PLAN AMEND-  
8 MENTS.—

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

14 (2) AMENDMENTS TO WHICH SUBSECTION AP-  
15 PLIES.—

16 (A) IN GENERAL.—This subsection shall  
17 apply to any amendment to any plan or annuity  
18 contract which is made—

19 (i) pursuant to any provision of this  
20 section, or pursuant to any regulation  
21 issued by the Secretary or the Secretary of  
22 Labor under any provision of this section,  
23 and

24 (ii) on or before the last day of the  
25 first plan year beginning on or after Janu-

1           ary 1, 2020, or such later date as the Sec-  
2           retary may prescribe.

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

8           (B) CONDITIONS.—This subsection shall  
9           not apply to any amendment unless—

10           (i) during the period—

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

18           (II) ending on the date described  
19           in subparagraph (A)(ii) (or, if earlier,  
20           the date the plan or contract amend-  
21           ment is adopted),

22           the plan or contract is operated as if such  
23           plan or contract amendment were in effect,  
24           and

1 (ii) such plan or contract amendment  
2 applies retroactively for such period.

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

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

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

18 (1) ELIGIBLE EMPLOYER.—The term “eligible  
19 employer” means any employer—

20 (A) which conducted an active trade or  
21 business in a qualified disaster zone at any time  
22 during the incident period of the qualified dis-  
23 aster with respect to such qualified disaster  
24 zone, and

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

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

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

23 (A) beginning on the date on which the  
24 trade or business described in paragraph (1)  
25 first became inoperable at the principal place of

1 employment of the employee immediately before  
2 the qualified disaster referred to in such para-  
3 graph, and

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

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

13 (c) CERTAIN RULES TO APPLY.—For purposes of  
14 this subsection, rules similar to the rules of sections  
15 51(i)(1), 52, and 280C(a), of the Internal Revenue Code  
16 of 1986, shall apply.

17 (d) EMPLOYEE NOT TAKEN INTO ACCOUNT MORE  
18 THAN ONCE.—An employee shall not be treated as an eli-  
19 gible employee for purposes of this subsection for any pe-  
20 riod with respect to any employer if such employer is al-  
21 lowed a credit under section 51 of the Internal Revenue  
22 Code of 1986 with respect to such employee for such pe-  
23 riod.

1 **SEC. 5. OTHER DISASTER-RELATED TAX RELIEF PROVI-**  
2 **SIONS.**

3 (a) TEMPORARY SUSPENSION OF LIMITATIONS ON  
4 CHARITABLE CONTRIBUTIONS.—

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

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

15 (A) INDIVIDUALS.—In the case of an indi-  
16 vidual—

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

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

10          (B) CORPORATIONS.—In the case of a cor-  
11          poration—

12               (i) LIMITATION.—Any qualified con-  
13               tribution shall be allowed only to the ex-  
14               tent that the aggregate of such contribu-  
15               tions does not exceed the excess of the tax-  
16               payer's taxable income (as determined  
17               under paragraph (2) of section 170(b) of  
18               such Code) over the amount of all other  
19               charitable contributions allowed under such  
20               paragraph.

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

24          (3) QUALIFIED CONTRIBUTIONS.—

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

6           (i) such contribution—

7                 (I) is made for relief efforts in  
8 one or more qualified disaster areas,  
9 and

10                (II) is paid during the period be-  
11 ginning on the first day of the inci-  
12 dent period for any such disaster, and  
13 ending on December 31 of the year in  
14 which such incident period begins, in  
15 cash to an organization described in  
16 section 170(b)(1)(A) of such Code,

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

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

(B) EXCEPTION.—Such term shall not include a contribution by a donor if the contribution is—

(i) to an organization described in section 509(a)(3) of the Internal Revenue Code of 1986, or

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

(C) APPLICATION OF ELECTION TO PARTNERSHIPS AND S CORPORATIONS.—In the case of a partnership or S corporation, the election under subparagraph (A)(iii) shall be made separately by each partner or shareholder.

(b) SPECIAL RULES FOR QUALIFIED DISASTER-RELATED PERSONAL CASUALTY LOSSES.—

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

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

(i) such net disaster loss, and

(ii) so much of the excess referred to 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.

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