

116TH CONGRESS  
1ST SESSION

# H. R. 1148

To provide for disaster tax relief.

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## 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

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## 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.—

(A) EXEMPTION OF DISTRIBUTIONS FROM TRUSTEE TO TRUSTEE TRANSFER AND WITHHOLDING RULES.—For purposes of sections 401(a)(31), 402(f), and 3405 of the Internal Revenue Code of 1986, qualified disaster distributions shall not be treated as eligible rollover distributions.

(B) QUALIFIED DISASTER DISTRIBUTIONS TREATED AS MEETING PLAN DISTRIBUTION REQUIREMENTS.—For purposes of the Internal Revenue Code of 1986, a qualified disaster distribution shall be treated as meeting the requirements of sections 401(k)(2)(B)(I), 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A) of such Code.

(b) RECONTRIBUTIONS OF WITHDRAWALS FOR HOME PURCHASES.—

(1) RECONTRIBUTIONS.—

(A) IN GENERAL.—Any individual who received a qualified distribution may, during the applicable period, make 1 or more contributions in an aggregate amount not to exceed the amount of such qualified distribution to an eligible retirement plan (as defined in section 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 knowledgment (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.

○