

115TH CONGRESS  
1ST SESSION

# H. R. 4172

To amend the Internal Revenue Code of 1986 to provide tax relief for major disasters declared in any of calendar years 2012 through 2015, to make certain tax relief provisions permanent, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 31, 2017

Mr. NEAL (for himself, Mr. THOMPSON of California, Mr. PASCRELL, Mr. LEVIN, Mr. LEWIS of Georgia, Mr. LARSON of Connecticut, Mr. BLUMENAUER, Mr. CROWLEY, Mr. DANNY K. DAVIS of Illinois, Ms. SÁNCHEZ, Mr. HIGGINS of New York, Ms. SEWELL of Alabama, Ms. DELBENE, Ms. JUDY CHU of California, Ms. NORTON, Mr. EVANS, Ms. WILSON of Florida, Ms. WASSERMAN SCHULTZ, Mr. HUFFMAN, Mr. GENE GREEN of Texas, and Ms. PLASKETT) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Internal Revenue Code of 1986 to provide tax relief for major disasters declared in any of calendar years 2012 through 2015, to make certain tax relief provisions permanent, and for other purposes.

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

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This Act may be cited as the  
3 “Give Assistance and Help to Americans impacted by Nat-  
4 ural Disasters Act” or the “Give A HAND Act”.

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

Sec. 1. Short title; table of contents.

TITLE I—TAX RELIEF RELATING TO DISASTERS IN 2012, 2013,  
2014, AND 2015

- Sec. 101. Expensing of qualified disaster expenses.
- Sec. 102. Increased limitation on charitable contributions for disaster relief.
- Sec. 103. Losses attributable to disasters in 2012, 2013, 2014, and 2015.
- Sec. 104. Net operating losses attributable to disasters in 2012, 2013, 2014, and 2015.
- Sec. 105. Waiver of certain mortgage revenue bond requirements following 2012, 2013, 2014, and 2015 disasters.
- Sec. 106. Increased expensing and bonus depreciation for qualified disaster assistance property following 2012, 2013, 2014, and 2015 disasters.
- Sec. 107. Increase in new markets tax credit for investments in community development entities serving 2012, 2013, 2014, and 2015 disaster areas.
- Sec. 108. Special rules for use of retirement funds in connection with federally declared disasters in 2012, 2013, 2014, and 2015.
- Sec. 109. Additional exemption for housing qualified disaster displaced individuals.
- Sec. 110. Exclusions of certain cancellations of indebtedness by reason of 2012, 2013, 2014, and 2015 disasters.
- Sec. 111. Special rule for determining earned income of individuals affected by federally declared disasters.
- Sec. 112. Increase in rehabilitation credit for buildings in 2012, 2013, 2014, and 2015 disaster areas.
- Sec. 113. Advanced refundings of certain tax-exempt bonds.
- Sec. 114. Qualified disaster area recovery bonds.
- Sec. 115. Additional low-income housing credit allocations.
- Sec. 116. Facilitation of transfer of water leasing and water by mutual ditch or irrigation companies in disaster areas.

TITLE II—OTHER DISASTER TAX RELIEF PROVISIONS

- Sec. 201. Exclusion for disaster mitigation payments received from State and local governments.
- Sec. 202. Natural disaster funds.

TITLE III—PERMANENT TAX DISASTER RELIEF PROVISIONS

- Sec. 301. Increase property replacement period to 5 years.
- Sec. 302. Wage credit for specified disaster-damaged businesses.

- Sec. 303. Disaster-related medical expenses.
- Sec. 304. Expensing of qualified disaster expenses.
- Sec. 305. Losses attributable to disasters.
- Sec. 306. Net operating losses attributable to disasters.
- Sec. 307. Special rules for use of retirement funds in connection with federally declared disasters.
- Sec. 308. Additional exemption for housing qualified disaster displaced individuals.
- Sec. 309. Exclusions of certain cancellations of indebtedness by reason of disasters.
- Sec. 310. Special rule for determining earned income of individuals affected by federally declared disasters.
- Sec. 311. Qualified disaster area recovery bonds.
- Sec. 312. Additional low-income housing credit allocations.
- Sec. 313. Suspension of limitation on charitable contributions for disaster relief efforts.
- Sec. 314. Increase in New Markets Tax Credit allocations.
- Sec. 315. Increase in rehabilitation credit for buildings in disaster areas.
- Sec. 316. Waiver of certain mortgage revenue bond requirements following disasters.
- Sec. 317. Advanced refundings of certain tax-exempt bonds.
- Sec. 318. Facilitation of transfer of water leasing and water by mutual ditch or irrigation companies in disaster areas.
- Sec. 319. Exclusion of employer provided housing for individual affected by disaster.
- Sec. 320. Increased expensing and bonus depreciation for qualified disaster assistance property.
- Sec. 321. Increase in standard mileage rate for charitable use of vehicle.
- Sec. 322. Work opportunity tax credit for employees in disaster area.
- Sec. 323. Expensing for environmental remediation costs in disaster areas.
- Sec. 324. Taxpayer filing assistance.

#### TITLE IV—RELIEF RELATING TO PUERTO RICO AND UNITED STATES VIRGIN ISLANDS

- Sec. 401. Application of disaster-related tax relief to possessions of United States.
- Sec. 402. Application to Puerto Rico and Virgin Islands of deduction for income attributable to domestic production activities.
- Sec. 403. Full rum cover over.
- Sec. 404. Puerto Rico residents eligible for earned income tax credit.
- Sec. 405. Equitable treatment for residents of Puerto Rico with respect to the refundable portion of the child tax credit.
- Sec. 406. Technical assistance and administrative relief.

#### TITLE V—MEDICARE RELIEF

- Sec. 501. Medicare enrollment filing deadline relief.

1 **TITLE I—TAX RELIEF RELATING**  
2 **TO DISASTERS IN 2012, 2013,**  
3 **2014, AND 2015**

4 **SEC. 101. EXPENSING OF QUALIFIED DISASTER EXPENSES.**

5 (a) **IN GENERAL.**—Part VI of subchapter B of chap-  
6 ter 1 of the Internal Revenue Code of 1986 is amended  
7 by inserting after section 198 the following:

8 **“SEC. 198A. EXPENSING OF QUALIFIED DISASTER EX-**  
9 **PENSES.**

10 **“(a) IN GENERAL.**—A taxpayer may elect to treat  
11 any qualified disaster expenses which are paid or incurred  
12 by the taxpayer as an expense which is not chargeable to  
13 capital account. Any expense which is so treated shall be  
14 allowed as a deduction for the taxable year in which it  
15 is paid or incurred.

16 **“(b) QUALIFIED DISASTER EXPENSE.**—For purposes  
17 of this section, the term ‘qualified disaster expense’ means  
18 any expenditure—

19 **“(1)** which is paid or incurred in connection  
20 with a trade or business or with business-related  
21 property,

22 **“(2)** which is—

23 **“(A)** for the abatement or control of haz-  
24 arduous substances that were released on ac-

1 count of a federally declared disaster occurring  
2 during the period beginning—

3 “(i) after December 31, 2007, and be-  
4 fore January 1, 2010, or

5 “(ii) after December 31, 2011, and  
6 before January 1, 2016,

7 “(B) for the removal of debris from, or the  
8 demolition of structures on, real property which  
9 is business-related property damaged or de-  
10 stroyed as a result of a federally declared dis-  
11 aster occurring during any such period, or

12 “(C) for the repair of business-related  
13 property damaged as a result of a federally de-  
14 clared disaster occurring during any such pe-  
15 riod, and

16 “(3) which is otherwise chargeable to capital ac-  
17 count.

18 “(c) OTHER DEFINITIONS.—For purposes of this  
19 section—

20 “(1) BUSINESS-RELATED PROPERTY.—The  
21 term ‘business-related property’ means property—

22 “(A) held by the taxpayer for use in a  
23 trade or business or for the production of in-  
24 come, or

1           “(B) described in section 1221(a)(1) in the  
2           hands of the taxpayer.

3           “(2) **FEDERALLY DECLARED DISASTER.**—The  
4           term ‘federally declared disaster’ has the meaning  
5           given such term by section 165(i)(5)(A).

6           “(d) **DEDUCTION RECAPTURED AS ORDINARY IN-**  
7 **COME ON SALE, ETC.**—Solely for purposes of section  
8 1245, in the case of property to which a qualified disaster  
9 expense would have been capitalized but for this section—

10           “(1) the deduction allowed by this section for  
11           such expense shall be treated as a deduction for de-  
12           preciation, and

13           “(2) such property (if not otherwise section  
14 1245 property) shall be treated as section 1245  
15 property solely for purposes of applying section 1245  
16 to such deduction.

17           “(e) **COORDINATION WITH OTHER PROVISIONS.**—  
18 Sections 198, 280B, and 468 shall not apply to amounts  
19 which are treated as expenses under this section.

20           “(f) **REGULATIONS.**—The Secretary shall prescribe  
21 such regulations as may be necessary or appropriate to  
22 carry out the purposes of this section.”.

23           “(b) **CLERICAL AMENDMENT.**—The table of sections  
24 for part VI of subchapter B of chapter 1 of the Internal

1 Revenue Code of 1986 is amended by inserting after the  
2 item relating to section 198 the following item:

“Sec. 198A. Expensing of qualified disaster expenses.”.

3 (c) EFFECTIVE DATE.—The amendment made by  
4 this section shall apply to amounts paid or incurred after  
5 December 31, 2011, in connection with disasters declared  
6 after such date.

7 SEC. 102. INCREASED LIMITATION ON CHARITABLE CON-  
8 TRIBUTIONS FOR DISASTER RELIEF.

9 (a) INDIVIDUALS.—Paragraph (1) of section 170(b)  
10 of the Internal Revenue Code of 1986 is amended by re-  
11 designating subparagraphs (F) and (G) as subparagraphs  
12 (G) and (H), respectively, and by inserting after subpara-  
13 graph (E) the following new subparagraph:

14 “(F) QUALIFIED DISASTER CONTRIBU-  
15 TIONS.—

16 “(i) IN GENERAL.—Any qualified dis-  
17 aster contribution shall be allowed to the  
18 extent that the aggregate of such contribu-  
19 tions does not exceed the excess of 80 per-  
20 cent of the taxpayer’s contribution base  
21 over the amount of all other charitable  
22 contributions allowable under this para-  
23 graph.

24 “(ii) CARRYOVER.—If the aggregate  
25 amount of contributions described in clause

1 (i) exceeds the limitation under clause (i),  
2 such excess shall be treated (in a manner  
3 consistent with the rules of subsection  
4 (d)(1)) as a charitable contribution to  
5 which clause (i) applies in each of the 5  
6 succeeding years in order of time.

7 “(iii) COORDINATION WITH OTHER  
8 SUBPARAGRAPHS.—For purposes of apply-  
9 ing this subsection and subsection (d)(1),  
10 contributions described in clause (i) shall  
11 not be treated as described in subpara-  
12 graph (A) and such subparagraph shall be  
13 applied without regard to such contribu-  
14 tions.

15 “(iv) QUALIFIED DISASTER CON-  
16 TRIBUTIONS.—For purposes of this sub-  
17 paragraph, the term ‘qualified disaster  
18 contribution’ means any charitable con-  
19 tribution if—

20 “(I) such contribution is for re-  
21 lief efforts related to a federally de-  
22 clared disaster (as defined in section  
23 165(h)(3)(C)(i)),

24 “(II) such contribution is made  
25 during the period beginning on the



1 applicable disaster date with respect  
2 to the disaster described in subclause  
3 (I) and ending on December 31,  
4 2015, and

5 “(III) such contribution is made  
6 in cash to an organization described  
7 in subparagraph (A) (other than an  
8 organization described in section  
9 509(a)(3)).

10 Such term shall not include a contribution  
11 if the contribution is for establishment of  
12 a new, or maintenance in an existing,  
13 donor advised fund (as defined in section  
14 4966(d)(2)).

15 “(v) APPLICABLE DISASTER DATE.—  
16 For purposes of clause (iv)(II), the term  
17 ‘applicable disaster date’ means, with re-  
18 spect to any federally declared disaster de-  
19 scribed in clause (iv)(I), the date on which  
20 the disaster giving rise to the Presidential  
21 declaration described in section  
22 165(i)(5)(A) occurred.

23 “(vi) SUBSTANTIATION REQUIRE-  
24 MENT.—This paragraph shall not apply to  
25 any qualified disaster contribution unless

1 the taxpayer obtains from such organiza-  
2 tion to which the contribution was made a  
3 contemporaneous written acknowledgment  
4 (within the meaning of subsection (f)(8))  
5 that such contribution was used (or is to  
6 be used) for a purpose described in clause  
7 (iv)(III).”.

8 (b) CORPORATIONS.—

9 (1) IN GENERAL.—Paragraph (2) of section  
10 170(b) of the Internal Revenue Code of 1986 is  
11 amended by redesignating subparagraph (D) as sub-  
12 paragraph (E) and by inserting after subparagraph  
13 (C) the following new subparagraph:

14 “(D) QUALIFIED DISASTER CONTRIBU-  
15 TIONS.—

16 “(i) IN GENERAL.—Any qualified dis-  
17 aster contribution shall be allowed to the  
18 extent that the aggregate of such contribu-  
19 tions does not exceed the excess of 20 per-  
20 cent of the taxpayer’s taxable income over  
21 the amount of charitable contributions al-  
22 lowed under subparagraph (A).

23 “(ii) CARRYOVER.—If the aggregate  
24 amount of contributions described in clause  
25 (i) exceeds the limitation under clause (i),

1 such excess shall be treated (in a manner  
2 consistent with the rules of subsection  
3 (d)(1)) as a charitable contribution to  
4 which clause (i) applies in each of the 5  
5 succeeding years in order of time.

6 “(iii) QUALIFIED DISASTER CON-  
7 TRIBUTION.—The term ‘qualified disaster  
8 contribution’ has the meaning given such  
9 term under paragraph (2)(F)(iv).

10 “(iv) SUBSTANTIATION REQUIRE-  
11 MENT.—This paragraph shall not apply to  
12 any qualified disaster contribution unless  
13 the taxpayer obtains from such organiza-  
14 tion to which the contribution was made a  
15 contemporaneous written acknowledgment  
16 (within the meaning of subsection (f)(8))  
17 that such contribution was used (or is to  
18 be used) for a purpose described in para-  
19 graph (1)(F)(iv)(III).”.

20 (2) CONFORMING AMENDMENT.—Subparagraph  
21 (A) of section 170(b)(2) of such Code is amended by  
22 striking “subparagraph (B) and (C) apply” and in-  
23 serting “subparagraphs (B), (C) and (D) apply”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to disasters arising in taxable years  
3 ending after December 31, 2011.

4 SEC. 103. LOSSES ATTRIBUTABLE TO DISASTERS IN 2012,  
5 2013, 2014, AND 2015.

6 (a) IN GENERAL.—Section 165(h) of the Internal  
7 Revenue Code of 1986 is amended by redesignating para-  
8 graphs (3) and (4) as paragraphs (4) and (5), respectively,  
9 and by inserting after paragraph (2) the following:

10 “(3) SPECIAL RULE FOR LOSSES IN FEDERALLY  
11 DECLARED DISASTERS.—

12 “(A) IN GENERAL.—If an individual has a  
13 net disaster loss for any taxable year, the  
14 amount determined under paragraph (2)(A)(ii)  
15 shall be the sum of—

16 “(i) such net disaster loss, and

17 “(ii) so much of the excess referred to  
18 in the matter preceding clause (i) of para-  
19 graph (2)(A) (reduced by the amount in  
20 clause (i) of this subparagraph) as exceeds  
21 10 percent of the adjusted gross income of  
22 the individual.

23 “(B) NET DISASTER LOSS.—For purposes  
24 of subparagraph (A), the term ‘net disaster  
25 loss’ means the excess of—

1 “(i) the personal casualty losses—

2 “(I) attributable to a federally  
3 declared disaster occurring during the  
4 period beginning after December 31,  
5 2007, and before January 1, 2010, or  
6 during the period beginning after De-  
7 cember 31, 2011, and before January  
8 1, 2016, and

9 “(II) occurring in a disaster  
10 area, over

11 “(ii) personal casualty gains.

12 “(C) **FEDERALLY DECLARED DISASTER.**—

13 For purposes of this paragraph—

14 “(i) **FEDERALLY DECLARED DIS-**  
15 **ASTER.**—The term ‘federally declared dis-  
16 aster’ has the meaning given such term by  
17 subsection (i)(5)(A).

18 “(ii) **DISASTER AREA.**—The term ‘dis-  
19 aster area’ has the meaning given such  
20 term by subsection (i)(5)(B).”.

21 (b) **CONFORMING AMENDMENT.**—Paragraph (4) of  
22 section 165(h) of such Code, as so redesignated, is amend-  
23 ed by striking “paragraph (2)” and inserting “paragraphs  
24 (2) and (3)”.

1 (c) LOSS ALLOWED WHETHER OR NOT INDIVIDUAL  
2 ITEMIZED DEDUCTIONS.—Section 62(a) of the Internal  
3 Revenue Code of 1986 is amended by inserting after para-  
4 graph (21) the following new paragraph:

5 “(22) DISASTER CASUALTY LOSSES.—Any net  
6 disaster loss (as defined in section 165(h)(3)(B)).”.

7 (d) TECHNICAL AMENDMENT.—Subparagraph (A) of  
8 section 165(i)(5) of the Internal Revenue Code of 1986  
9 is amended by inserting “major” after “means any”.

10 (e) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to disasters declared in taxable  
12 years beginning after December 31, 2011.

13 (f) USE OF AMENDED INCOME TAX RETURNS TO  
14 TAKE INTO ACCOUNT RECEIPT OF CERTAIN CASUALTY  
15 LOSS GRANTS BY DISALLOWING PREVIOUSLY TAKEN  
16 CASUALTY LOSS DEDUCTIONS.—

17 (1) IN GENERAL.—Notwithstanding any other  
18 provision of the Internal Revenue Code of 1986, if  
19 a taxpayer—

20 (A) claims a deduction for any taxable year  
21 with respect to a casualty loss to a principal  
22 residence (within the meaning of section 121 of  
23 such Code) resulting from any federally de-  
24 clared disaster (as defined in section  
25 165(h)(3)(C) of such Code) occurring during

1 the period beginning after December 31, 2011,  
2 and before January 1, 2016, and

3 (B) in a subsequent taxable year receives  
4 a grant under any Federal or State program as  
5 reimbursement for such loss,  
6 such taxpayer may elect to file an amended income  
7 tax return for the taxable year in which such deduc-  
8 tion was allowed (and for any taxable year to which  
9 such deduction is carried) and reduce (but not below  
10 zero) the amount of such deduction by the amount  
11 of such reimbursement.

12 (2) TIME OF FILING AMENDED RETURN.—  
13 Paragraph (1) shall apply with respect to any grant  
14 only if any amended income tax returns with respect  
15 to such grant are filed not later than the later of—

16 (A) the due date for filing the tax return  
17 for the taxable year in which the taxpayer re-  
18 ceives such grant, or

19 (B) the date which is 1 year after the date  
20 of the enactment of this Act.

21 (3) WAIVER OF PENALTIES AND INTEREST.—  
22 Any underpayment of tax resulting from the reduc-  
23 tion under paragraph (1) of the amount otherwise  
24 allowable as a deduction shall not be subject to any  
25 penalty or interest under such Code if such tax is

1       paid not later than 1 year after the filing of the  
2       amended return to which such reduction relates.

3   **SEC. 104. NET OPERATING LOSSES ATTRIBUTABLE TO DIS-**  
4   **ASTERS IN 2012, 2013, 2014, AND 2015.**

5       **(a) IN GENERAL.**—Section 172(b)(1) of the Internal  
6   Revenue Code of 1986 is amended by adding at the end  
7   the following:

8                               **“(G) CERTAIN LOSSES ATTRIBUTABLE**  
9                               **FEDERALLY DECLARED DISASTERS.**—In the  
10                              case of a taxpayer who has a qualified disaster  
11                              loss (as defined in subsection (i)), such   loss  
12                              shall be a net operating loss carryback to each  
13                              of the 5 taxable years preceding the   taxable  
14                              year of such loss.”.

15       **(b) RULES RELATING TO QUALIFIED DISASTER**  
16   **LOSSES.**—Section 172 of the Internal Revenue Code   of  
17   1986 is amended by redesignating subsection (i) as sub-  
18   section (j) and by inserting after subsection (h) the fol-  
19   lowing:

20                              **“(i) RULES RELATING TO QUALIFIED DISASTER**  
21   **LOSSES.**—For purposes of this section—

22                              **“(1) IN GENERAL.**—The term ‘qualified dis-  
23                              aster loss’ means the lesser of—

24   **“(A) the sum of—**



1 “(i) the losses allowable under section  
2 165 for the taxable year—

3 “(I) attributable to a federally  
4 declared disaster (as defined in sec-  
5 tion 165(i)(5)(A)) occurring during  
6 the period beginning after December  
7 31, 2007, and before January 1,  
8 2010, or during the period beginning  
9 after December 31, 2011, and before  
10 January 1, 2016, and

11 “(II) occurring in a disaster area  
12 (as defined in section 165(i)(5)(B)),  
13 and

14 “(ii) the deduction for the taxable  
15 year for qualified disaster expenses which  
16 is allowable under section 198A(a) or  
17 which would be so allowable if not other-  
18 wise treated as an expense, or

19 “(B) the net operating loss for such tax-  
20 able year.

21 “(2) COORDINATION WITH SUBSECTION  
22 (b)(2).—For purposes of applying subsection (b)(2),  
23 a qualified disaster loss for any taxable year shall be  
24 treated in a manner similar to the manner in which  
25 a specified liability loss is treated.

1           “(3) ELECTION.—Any taxpayer entitled to a 5-  
 2           year carryback under subsection (b)(1)(G) from any  
 3           loss year may elect to have the carryback period  
 4           with respect to such loss year determined without re-  
 5           gard to subsection (b)(1)(G). Such election shall be  
 6           made in such manner as may be prescribed by the  
 7           Secretary and shall be made by the due date (includ-  
 8           ing extensions of time) for filing the taxpayer’s re-  
 9           turn for the taxable year of the net operating loss.  
 10          Such election, once made for any taxable year, shall  
 11          be irrevocable for such taxable year.

12          “(4) EXCLUSION.—The term ‘qualified disaster  
 13          loss’ shall not include any loss with respect to any  
 14          property described in section 1400N(p)(3).”.

15          (c) EFFECTIVE DATE.—The amendments made by  
 16          this section shall apply to losses arising in taxable years  
 17          beginning after December 31, 2011, in connection with  
 18          disasters declared after such date.

19          **SEC. 105. WAIVER OF CERTAIN MORTGAGE REVENUE BOND**  
 20                                  **REQUIREMENTS FOLLOWING 2012, 2013, 2014,**  
 21                                  **AND 2015 DISASTERS.**

22          (a) IN GENERAL.—Paragraph (13) of section 143(k)  
 23          of the Internal Revenue Code of 1986 is amended—

24                  (1) in clause (i), by striking “before January 1,  
 25                  2010” and inserting “during the period beginning

1 after December 31, 2007, and before January 1,  
2 2010, or during the period beginning after Decem-  
3 ber 31, 2011, and before January 1, 2016”, and

4 (2) in clause (ii), by striking “before such date”  
5 and inserting “during either such period”.

6 (b) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to disasters occurring after Decem-  
8 ber 31, 2011.

9 **SEC. 106. INCREASED EXPENSING AND BONUS DEPRECIATION FOR QUALIFIED DISASTER ASSISTANCE**  
10 **PROPERTY FOLLOWING 2012, 2013, 2014, AND**  
11 **2015 DISASTERS.**  
12

13 (a) IN GENERAL.—Subclause (I) of section  
14 168(n)(2)(A)(ii) of the Internal Revenue Code of 1986 is  
15 amended by striking “before January 1, 2010” and insert-  
16 ing “during the period beginning after December 31,  
17 2007, and before January 1, 2010, or during the period  
18 beginning after December 31, 2011, and before January  
19 1, 2016”.

20 (b) REMOVAL OF EXCLUSION.—Section  
21 168(n)(2)(B)(i) of such Code is amended by inserting  
22 “and” at the end of subclause (I), by striking “, and”  
23 at the end of subclause (II) and inserting a period, and  
24 by striking subclause (III).

1 (c) EFFECTIVE DATE.—The amendments made by  
 2 this section shall apply to property placed in service after  
 3 December 31, 2011, with respect to disasters declared  
 4 after such date.

5 SEC. 107. INCREASE IN NEW MARKETS TAX CREDIT FOR IN-  
 6 VESTMENTS IN COMMUNITY DEVELOPMENT  
 7 ENTITIES SERVING 2012, 2013, 2014, AND 2015  
 8 DISASTER AREAS.

9 (a) IN GENERAL.—Subsection (f) of section 45D of  
 10 the Internal Revenue Code of 1986 is amended by adding  
 11 at the end the following new paragraph:

12 “(4) INCREASED SPECIAL ALLOCATION FOR  
 13 COMMUNITY DEVELOPMENT ENTITIES SERVING DIS-  
 14 ASTER AREAS WITH RESPECT TO DISASTERS OCCUR-  
 15 RING IN ANY OF CALENDAR YEARS 2012 THROUGH  
 16 2015.—

17 “(A) IN GENERAL.—In the case of each  
 18 calendar year which begins after 2012 and be-  
 19 fore 2017, the new markets tax credit limitation  
 20 shall be increased by an amount equal to  
 21 \$500,000,000, to be allocated among qualified  
 22 community development entities to make quali-  
 23 fied low-income community investments within  
 24 any covered federally declared disaster area.

1           “(B) ALLOCATION OF INCREASE.—The  
2 amount of the increase in limitation under sub-  
3 paragraph (A) shall be allocated by the Sec-  
4 retary under paragraph (2) to qualified commu-  
5 nity development entities and shall give priority  
6 to such entities with a record of having success-  
7 fully provided capital or technical assistance to  
8 businesses or communities within any covered  
9 federally declared disaster area or areas for  
10 which the allocation is requested.

11           “(C) APPLICATION OF CARRYFORWARD.—  
12 Paragraph (3) shall be applied separately with  
13 respect to the amount of any increase under  
14 subparagraph (A).

15           “(D) COVERED FEDERALLY DECLARED  
16 DISASTER AREA.—For purposes of this para-  
17 graph, the term ‘covered federally declared dis-  
18 aster area’ means any disaster area resulting  
19 from any federally declared disaster occurring  
20 after December 31, 2011, and before January  
21 1, 2016. For purposes of the preceding sen-  
22 tence, the terms ‘federally declared disaster’  
23 and ‘disaster area’ have the meanings given  
24 such terms in section 165(i)(5).”.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to calendar years beginning after  
3 2012.

4 SEC. 108. SPECIAL RULES FOR USE OF RETIREMENT FUNDS  
5 IN CONNECTION WITH FEDERALLY DE-  
6 CLARED DISASTERS IN 2012, 2013, 2014, AND  
7 2015.

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

10 (1) IN GENERAL.—Paragraph (2) of section  
11 72(t) of the Internal Revenue Code of 1986 is  
12 amended by adding at the end the following new  
13 subparagraph:

14 “(H) DISTRIBUTIONS FROM RETIREMENT  
15 PLANS IN CONNECTION WITH FEDERALLY DE-  
16 CLARED DISASTERS OCCURRING IN ANY CAL-  
17 ENDAR YEAR AFTER 2011.—Any qualified dis-  
18 aster recovery distribution.”.

19 (2) QUALIFIED DISASTER RECOVERY DISTRIBU-  
20 TION.—Section 72(t) of such Code is amended by  
21 adding at the end the following new paragraph:

22 “(11) QUALIFIED DISASTER RECOVERY DIS-  
23 TRIBUTION.—For purposes of paragraph (2)(H)—

24 “(A) IN GENERAL.—Except as provided in  
25 subparagraph (B), the term ‘qualified disaster

1 recovery distribution’ means, with respect to  
2 any federally declared disaster occurring in any  
3 calendar year beginning after 2011 and before  
4 January 1, 2016, any distribution from an eli-  
5 gible retirement plan made on or after the ap-  
6 plicable disaster date and before the date that  
7 is 1 year after the applicable disaster date, to  
8 an individual whose principal place of abode on  
9 the applicable disaster date, is located in the  
10 disaster area and who has sustained an eco-  
11 nomic loss by reason of such federally declared  
12 disaster.

13 “(B) DOLLAR LIMITATION.—

14 “(i) IN GENERAL.—For purposes of  
15 this subsection, the aggregate amount of  
16 distributions received by an individual with  
17 respect to any federally declared disaster  
18 occurring in any calendar year beginning  
19 after 2011 shall not exceed \$100,000.

20 “(ii) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual  
21 would (without regard to clause (i)) be a  
22 qualified disaster recovery distribution, a  
23 plan shall not be treated as violating any  
24 requirement of this title merely because  
25

1 the plan treats such distribution as a  
2 qualified disaster recovery distribution, un-  
3 less the aggregate amount of such distribu-  
4 tions from all plans maintained by the em-  
5 ployer (and any member of any controlled  
6 group which includes the employer) to such  
7 individual with respect to any federally de-  
8 clared disaster occurring in any calendar  
9 year beginning after 2011 exceeds  
10 \$100,000.

11 “(iii) CONTROLLED GROUP.—For pur-  
12 poses of clause (ii), the term ‘controlled  
13 group’ means any group treated as a single  
14 employer under subsection (b), (c), (m), or  
15 (o) of section 414.

16 “(C) AMOUNT DISTRIBUTED MAY BE RE-  
17 PAID.—

18 “(i) IN GENERAL.—Any individual  
19 who receives a qualified disaster recovery  
20 distribution may, at any time during the 3-  
21 year period beginning on the day after the  
22 date on which such distribution was re-  
23 ceived, make one or more contributions in  
24 an aggregate amount not to exceed the  
25 amount of such distribution to an eligible



1 retirement plan of which such individual is  
2 a beneficiary and to which a rollover con-  
3 tribution of such distribution could be  
4 made under section 402(c), 403(a)(4),  
5 403(b)(8), 408(d)(3), or 457(e)(16), as the  
6 case may be.

7 “(ii) TREATMENT OF REPAYMENTS OF  
8 DISTRIBUTIONS FROM ELIGIBLE RETIRE-  
9 MENT PLANS OTHER THAN IRAS.—For  
10 purposes of this title, if a contribution is  
11 made pursuant to clause (i) with respect to  
12 a qualified disaster recovery distribution  
13 from an eligible retirement plan other than  
14 an individual retirement plan, then the tax-  
15 payer shall, to the extent of the amount of  
16 the contribution, be treated as having re-  
17 ceived the qualified disaster recovery dis-  
18 tribution in an eligible rollover distribution  
19 (as defined in section 402(c)(4)) and as  
20 having transferred the amount to the eligi-  
21 ble retirement plan in a direct trustee to  
22 trustee transfer within 60 days of the dis-  
23 tribution.

24 “(iii) TREATMENT OF REPAYMENTS  
25 FOR DISTRIBUTIONS FROM IRAS.—For

1 purposes of this title, if a contribution is  
2 made pursuant to clause (i) with respect to  
3 a qualified disaster recovery distribution  
4 from an individual retirement plan (as de-  
5 fined by section 7701(a)(37)), then, to the  
6 extent of the amount of the contribution,  
7 the qualified disaster recovery distribution  
8 shall be treated as a distribution described  
9 in section 408(d)(3) and as having been  
10 transferred to the eligible retirement plan  
11 in a direct trustee to trustee transfer with-  
12 in 60 days of the distribution.

13 “(D) INCOME INCLUSION SPREAD OVER 3-  
14 YEAR PERIOD.—

15 “(i) IN GENERAL.—In the case of any  
16 qualified disaster recovery distribution, un-  
17 less the taxpayer elects not to have this  
18 paragraph apply for any taxable year, any  
19 amount required to be included in gross in-  
20 come for such taxable year shall be so in-  
21 cluded ratably over the 3-taxable-year pe-  
22 riod beginning with such taxable year.

23 “(ii) SPECIAL RULE.—For purposes of  
24 clause (i), rules similar to the rules of sub-

1 paragraph (E) of section 408A(d)(3) shall  
2 apply.

3 “(E) OTHER DEFINITIONS.—

4 “(i) FEDERALLY DECLARED DIS-  
5 ASTER; DISASTER AREA.—The terms ‘fed-  
6 erally declared disaster’ and ‘disaster area’  
7 have the meanings given such terms under  
8 section 165(i)(5).

9 “(ii) APPLICABLE DISASTER DATE.—  
10 The term ‘applicable disaster date’ means,  
11 with respect to any federally declared dis-  
12 aster, the date on which such federally de-  
13 clared disaster occurs.

14 “(iii) ELIGIBLE RETIREMENT PLAN.—  
15 The term ‘eligible retirement plan’ shall  
16 have the meaning given such term by sec-  
17 tion 402(c)(8)(B).

18 “(F) SPECIAL RULES.—

19 “(i) EXEMPTION OF DISTRIBUTIONS  
20 FROM TRUSTEE TO TRUSTEE TRANSFER  
21 AND WITHHOLDING RULES.—For purposes  
22 of sections 401(a)(31), 402(f), and 3405,  
23 qualified disaster recovery distributions  
24 shall not be treated as eligible rollover dis-  
25 tributions.

1                   “(ii) QUALIFIED DISASTER RECOVERY  
2                   DISTRIBUTIONS TREATED AS MEETING  
3                   PLAN DISTRIBUTION REQUIREMENTS.—  
4                   For purposes of this title, a qualified dis-  
5                   aster recovery distribution shall be treated  
6                   as meeting the requirements of sections  
7                   401(k)(2)(B)(i),           403(b)(7)(A)(ii),  
8                   403(b)(11), and 457(d)(1)(A).”.

9                   (3) EFFECTIVE DATE.—The amendments made  
10                  by this subsection shall apply to distributions with  
11                  respect to disasters declared after December 31,  
12                  2011.

13                  (b) LOANS FROM QUALIFIED PLANS.—

14                  (1) IN GENERAL.—Subsection (p) of section 72  
15                  of the Internal Revenue Code of 1986 is amended by  
16                  adding at the end the following new paragraph:

17                  “(6) INCREASE IN LIMIT ON LOANS NOT TREAT-  
18                  ED AS DISTRIBUTIONS WITH RESPECT TO DISASTERS  
19                  IN ANY CALENDAR YEAR AFTER 2011.—

20                  “(A) IN GENERAL.—In the case of any  
21                  loan from a qualified employer plan to a quali-  
22                  fied individual made during the applicable pe-  
23                  riod—

1 “(i) clause (i) of paragraph (2)(A)  
2 shall be applied by substituting ‘\$100,000’  
3 for ‘\$50,000’, and

4 “(ii) clause (ii) of such paragraph  
5 shall be applied by substituting ‘the  
6 present value of the nonforfeitable accrued  
7 benefit of the employee under the plan’ for  
8 ‘one-half of the present value of the non-  
9 forfeitable accrued benefit of the employee  
10 under the plan’.

11 “(B) DELAY OF REPAYMENT.—In the case  
12 of a qualified individual with an outstanding  
13 loan on or after the applicable disaster date  
14 from a qualified employer plan—

15 “(i) if the due date pursuant to sub-  
16 paragraph (B) or (C) of paragraph (2) for  
17 any repayment with respect to such loan  
18 occurs during the 1-year period beginning  
19 on the applicable disaster date, such due  
20 date shall be delayed for 1 year,

21 “(ii) any subsequent repayments with  
22 respect to any such loan shall be appro-  
23 priately adjusted to reflect the delay in the  
24 due date under clause (i) and any interest  
25 accruing during such delay, and

1 “(iii) in determining the 5-year period  
2 and the term of a loan under subpara-  
3 graph (B) or (C) of paragraph (2), the pe-  
4 riod described in clause (i) shall be dis-  
5 regarded.

6 “(C) DEFINITIONS.—For purposes of this  
7 paragraph—

8 “(i) QUALIFIED INDIVIDUAL.—The  
9 term ‘qualified individual’ means, with re-  
10 spect to any federally declared disaster oc-  
11 ccurring in any calendar year beginning  
12 after 2011, an individual whose principal  
13 place of abode on the applicable disaster  
14 date is located in the disaster area and  
15 who has sustained an economic loss by rea-  
16 son of such federally declared disaster.

17 “(ii) APPLICABLE PERIOD.—The ap-  
18 plicable period is the period beginning on  
19 the applicable disaster date and ending on  
20 December 31, 2016.

21 “(iii) FEDERALLY DECLARED DIS-  
22 ASTER; DISASTER AREA.—The terms ‘fed-  
23 erally declared disaster’ and ‘disaster area’  
24 have the meanings given such terms under  
25 section 165(i)(5).

1                   “(iv) APPLICABLE DISASTER DATE.—  
2                   The term ‘applicable disaster date’ means,  
3                   with respect to any federally declared dis-  
4                   aster, the date on which such federally de-  
5                   clared disaster occurs.”.

6                   (2) EFFECTIVE DATE.—The amendment made  
7                   by this subsection shall apply to loans made with re-  
8                   spect to disasters declared after December 31, 2011.

9                   (c) PROVISIONS RELATING TO PLAN AMEND-  
10                  MENTS.—

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

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

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

21                          (i) pursuant to any provision of, or  
22                          amendment made by, this section, or pur-  
23                          suant to any regulation issued by the Sec-  
24                          retary or the Secretary of Labor under any

1 provision of, or amendment made by, this  
2 section, and

3 (ii) on or before the last day of the  
4 first plan year beginning on or after Janu-  
5 ary 1, 2016, 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)), clause (ii) shall be applied  
9 by substituting the date which is 2 years after  
10 the date otherwise applied under clause (ii).

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

13 (i) during the period—

14 (I) beginning on the date that  
15 the provisions of, and amendments  
16 made by, this section or the regulation  
17 described in subparagraph (A)(i)  
18 takes effect (or in the case of a plan  
19 or contract amendment not required  
20 by the provisions of, or amendments  
21 made by, this section or such regula-  
22 tion, the effective date specified by the  
23 plan), and

24 (II) ending on the date described  
25 in subparagraph (A)(ii) (or, if earlier,



1 the date the plan or contract amend-  
2 ment is adopted),  
3 the plan or contract is operated as if such  
4 plan or contract amendment were in effect,  
5 and  
6 (ii) such plan or contract amendment  
7 applies retroactively for such period.

8 **SEC. 109. ADDITIONAL EXEMPTION FOR HOUSING QUALI-**  
9 **FIED DISASTER DISPLACED INDIVIDUALS.**

10 (a) **IN GENERAL.**—Section 151 of the Internal Rev-  
11 enue Code of 1986 is amended by adding at the end the  
12 following new subsection:

13 “(f) **ADDITIONAL EXEMPTION FOR CERTAIN DIS-**  
14 **ASTER-DISPLACED INDIVIDUALS.**—

15 “(1) **IN GENERAL.**—In the case of any taxable  
16 year beginning in any calendar year beginning after  
17 2011, there shall be allowed an exemption of \$500  
18 for each qualified disaster-displaced individual with  
19 respect to the taxpayer for the taxable year.

20 “(2) **LIMITATIONS.**—

21 “(A) **DOLLAR LIMITATION.**—The exemp-  
22 tion under paragraph (1) shall not exceed  
23 \$2,000, reduced by the amount of the exemp-  
24 tion under this subsection for all prior taxable  
25 years.

1           “(B) INDIVIDUALS TAKEN INTO ACCOUNT  
2 ONLY ONCE.—An individual shall not be taken  
3 into account under paragraph (1) if such indi-  
4 vidual was taken into account under this sub-  
5 section by the taxpayer for any prior taxable  
6 year.

7           “(C) IDENTIFYING INFORMATION RE-  
8 QUIRED.—An individual shall not be taken into  
9 account under paragraph (1) for a taxable year  
10 unless the taxpayer identification number of  
11 such individual is included on the return of the  
12 taxpayer for such taxable year.

13           “(3) QUALIFIED DISASTER-DISPLACED INDI-  
14 VIDUAL.—

15           “(A) IN GENERAL.—For purposes of this  
16 subsection, the term ‘qualified disaster-dis-  
17 placed individual’ means, with respect to any  
18 taxpayer for any taxable year, any qualified in-  
19 dividual if such individual is provided housing  
20 free of charge by the taxpayer in the principal  
21 residence of the taxpayer for a period of 60  
22 consecutive days which ends in such taxable  
23 year. Such term shall not include the spouse or  
24 any dependent of the taxpayer.

1           “(B) QUALIFIED INDIVIDUAL.—The term  
2           ‘qualified individual’ means any individual  
3           who—

4                   “(i) on the date of a federally declared  
5                   disaster occurring in calendar years begin-  
6                   ning after 2011 and before 2016 main-  
7                   tained such individual’s principal place of  
8                   abode in the disaster area declared with re-  
9                   spect to such disaster, and

10                   “(ii) was displaced from such prin-  
11                   cipal place of abode by reason of the feder-  
12                   ally declared disaster.

13           For purposes of the preceding sentence, the  
14           terms ‘federally declared disaster’ and ‘disaster  
15           area’ have the meanings given such terms in  
16           section 165(i)(5).

17           “(4) COMPENSATION FOR HOUSING.—No de-  
18           duction shall be allowed under this subsection if the  
19           taxpayer receives any rent or other amount (from  
20           any source) in connection with the providing of such  
21           housing.”.

22           (b) EFFECTIVE DATE.—The amendment made by  
23           this section shall apply to taxable years beginning after  
24           December 31, 2011.

1 SEC. 110. EXCLUSIONS OF CERTAIN CANCELLATIONS OF IN-  
2 DEBTEDNESS BY REASON OF 2012, 2013, 2014,  
3 AND 2015 DISASTERS.

4 (a) IN GENERAL.—Section 108 of the Internal Rev-  
5 enue Code of 1986 is amended by adding at the end the  
6 following new subsection:

7 “(j) DISCHARGE OF INDEBTEDNESS FOR INDIVID-  
8 UALS AFFECTED BY DISASTERS IN ANY CALENDAR YEAR  
9 AFTER 2011.—

10 “(1) IN GENERAL.—Except as provided in para-  
11 graph (2), gross income shall not include any  
12 amount which (but for this subsection) would be in-  
13 cludible in gross income by reason of any discharge  
14 (in whole or in part) of indebtedness of a natural  
15 person described in paragraph (3) by an applicable  
16 entity (as defined in section 6050P(c)(1)) during the  
17 applicable period.

18 “(2) EXCEPTIONS FOR BUSINESS INDEBTED-  
19 NESS.—Paragraph (1) shall not apply to any indebt-  
20 edness incurred in connection with a trade or busi-  
21 ness.

22 “(3) PERSONS DESCRIBED.—A natural person  
23 is described in this paragraph if the principal place  
24 of abode of such person on the applicable disaster  
25 date was located in the disaster area with respect to

1 any federally declared disaster occurring during any  
2 calendar year beginning after 2011 and before 2016.

3 “(4) APPLICABLE PERIOD.—For purposes of  
4 this subsection, the term ‘applicable period’ means  
5 the period beginning on the applicable disaster date  
6 and ending on the date which is 14 months after  
7 such date.

8 “(5) OTHER DEFINITIONS.—For purposes of  
9 this subsection—

10 “(A) FEDERALLY DECLARED DISASTER;  
11 DISASTER AREA.—The terms ‘federally declared  
12 disaster’ and ‘disaster area’ have the meanings  
13 given such terms under section 165(i)(5).

14 “(B) APPLICABLE DISASTER DATE.—The  
15 term ‘applicable disaster date’ means, with re-  
16 spect to any federally declared disaster, the  
17 date on which such federally declared disaster  
18 occurs.”.

19 (b) EFFECTIVE DATE.—The amendment made by  
20 this section shall apply to discharges made on or after De-  
21 cember 31, 2011.

1 SEC. 111. SPECIAL RULE FOR DETERMINING EARNED IN-  
2 COME OF INDIVIDUALS AFFECTED BY FEDER-  
3 ALLY DECLARED DISASTERS.

4 (a) IN GENERAL.—Section 32 of the Internal Rev-  
5 enue Code of 1986 is amended by adding at the end the  
6 following new subsection:

7 “(n) SPECIAL RULE FOR DETERMINING EARNED IN-  
8 COME OF TAXPAYERS AFFECTED BY FEDERALLY DE-  
9 CLARED DISASTERS.—

10 “(1) IN GENERAL.—In the case of a qualified  
11 individual with respect to any federally declared dis-  
12 aster occurring during any calendar year beginning  
13 after 2011, if the earned income of the taxpayer for  
14 the taxable year which includes the applicable dis-  
15 aster date is less than the earned income of the tax-  
16 payer for the preceding taxable year, the credit al-  
17 lowed under this section and section 24(d) may, at  
18 the election of the taxpayer, be determined by sub-  
19 stituting—

20 “(A) such earned income for the preceding  
21 taxable year, for

22 “(B) such earned income for the taxable  
23 year which includes the applicable date.

24 “(2) QUALIFIED INDIVIDUAL.—For purposes of  
25 this subsection, the term ‘qualified individual’  
26 means, with respect to any federally declared dis-

1       aster occurring in any calendar year beginning after  
2       2011 and before 2016, any individual whose prin-  
3       cipal place of abode on the applicable disaster date,  
4       was located—

5               “(A) in any portion of a disaster area de-  
6               termined by the President to warrant individual  
7               or individual and public assistance under the  
8               Robert T. Stafford Disaster Relief and Emer-  
9               gency Assistance Act by reason of the federally  
10              declared disaster, or

11             “(B) in any portion of the disaster area  
12             not described in subparagraph (A) and such in-  
13             dividual was displaced from such principal place  
14             of abode by reason of the federally declared dis-  
15             aster.

16             “(3) OTHER DEFINITIONS.—For purposes of  
17             this paragraph—

18             “(A) FEDERALLY DECLARED DISASTER;  
19             DISASTER AREA.—The terms ‘federally declared  
20             disaster’ and ‘disaster area’ have the meanings  
21             given such terms under section 165(i)(5).

22             “(B) APPLICABLE DISASTER DATE.—The  
23             term ‘applicable disaster date’ means, with re-  
24             spect to any federally declared disaster, the

1 date on which such federally declared disaster  
2 occurs.

3 “(4) SPECIAL RULES.—

4 “(A) APPLICATION TO JOINT RETURNS.—  
5 For purposes of paragraph (1), in the case of  
6 a joint return for a taxable year which includes  
7 the disaster date—

8 “(i) such paragraph shall apply if ei-  
9 ther spouse is a qualified individual, and

10 “(ii) the earned income of the tax-  
11 payer for the preceding taxable year shall  
12 be the sum of the earned income of each  
13 spouse for such preceding taxable year.

14 “(B) UNIFORM APPLICATION OF ELEC-  
15 TION.—Any election made under paragraph (1)  
16 shall apply with respect to both section 24(d)  
17 and this section.

18 “(C) ERRORS TREATED AS MATHEMATICAL  
19 ERROR.—For purposes of section 6213, an in-  
20 correct use on a return of earned income pursu-  
21 ant to paragraph (1) shall be treated as a  
22 mathematical or clerical error.

23 “(D) NO EFFECT ON DETERMINATION OF  
24 GROSS INCOME, ETC.—Except as otherwise pro-  
25 vided in this subsection, this title shall be ap-



1           plied without regard to any substitution under  
2           paragraph (1).”.

3           **(b) CHILD TAX CREDIT.**—Section 24(d) of the Inter-  
4           nal Revenue Code of 1986 is amended by inserting after  
5           paragraph (2) the following new paragraph:

6           “**(3) SPECIAL RULE FOR DETERMINING**  
7           **EARNED INCOME OF TAXPAYERS AFFECTED BY FED-**  
8           **ERALLY DECLARED DISASTERS.**—For election by  
9           qualified individuals with respect to certain federally  
10          declared disasters to substitute earned income from  
11          the preceding taxable year, see section 32(n).”.

12          **(c) EFFECTIVE DATE.**—The amendments made by  
13          this section shall apply to taxable years beginning after  
14          December 31, 2011.

15          **SEC. 112. INCREASE IN REHABILITATION CREDIT FOR**  
16                                   **BUILDINGS IN 2012, 2013, 2014, AND 2015 DIS-**  
17                                   **ASTER AREAS.**

18          **(a) IN GENERAL.**—Section 47 of the Internal Rev-  
19          enue Code of 1986 is amended by adding at the end the  
20          following new subsection:

21          “**(e) SPECIAL RULE FOR EXPENDITURES MADE IN**  
22          **CONNECTION WITH CERTAIN DISASTERS.**—

23                   “**(1) IN GENERAL.**—In the case of qualified re-  
24                   habilitation expenditures paid or incurred during the  
25                   applicable period with respect to any qualified reha-

1 bilitated building or certified historic structure lo-  
2 cated in a disaster area with respect to any federally  
3 declared disaster occurring in, subsection (a) shall  
4 be applied—

5 “(A) by substituting ‘13 percent’ for ‘10  
6 percent’ in paragraph (1) thereof, and

7 “(B) by substituting ‘26 percent’ for ‘20  
8 percent’ in paragraph (2) thereof.

9 “(2) DEFINITIONS.—For purposes of this sub-  
10 section—

11 “(A) FEDERALLY DECLARED DISASTER;  
12 DISASTER AREA.—The terms ‘federally declared  
13 disaster’ and ‘disaster area’ have the meanings  
14 given such terms under section 165(i)(5).

15 “(B) APPLICABLE PERIOD.—The term ‘ap-  
16 plicable period’ means the period beginning on  
17 the applicable disaster date and ending on De-  
18 cember 31, 2015.

19 “(C) APPLICABLE DISASTER DATE.—The  
20 term ‘applicable disaster date’ means, with re-  
21 spect to any federally declared disaster, the  
22 date on which such federally declared disaster  
23 occurs.”.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to amounts paid or incurred after  
3 December 31, 2011.

4 SEC. 113. ADVANCED REFUNDINGS OF CERTAIN TAX-EX-  
5 EMPT BONDS.

6 (a) IN GENERAL.—Section 149(d) of the Internal  
7 Revenue Code of 1986 is amended by redesignating para-  
8 graph (7) as paragraph (8) and by inserting after para-  
9 graph (6) the following new paragraph:

10 “(7) SPECIAL RULE WITH RESPECT TO CER-  
11 TAIN NATURAL DISASTERS.—

12 “(A) IN GENERAL.—With respect to a  
13 bond described in subparagraph (C), one addi-  
14 tional advance refunding after the date of the  
15 enactment of this paragraph and before Janu-  
16 ary 1, 2018, shall be allowed under the rules of  
17 this subsection if—

18 “(i) the Governor of the State des-  
19 ignates the advance refunding bond for  
20 purposes of this subsection, and

21 “(ii) the requirements of subpara-  
22 graph (E) are met.

23 “(B) CERTAIN PRIVATE ACTIVITY  
24 BONDS.—With respect to a bond described in  
25 subparagraph (C) which is an exempt facility

1 bond described in paragraph (1) or (2) of sec-  
2 tion 142(a), one advance refunding after the  
3 date of the enactment of this paragraph and be-  
4 fore January 1, 2018, shall be allowed under  
5 the applicable rules of this subsection (notwith-  
6 standing paragraph (2) thereof) if the require-  
7 ments of clauses (i) and (ii) of subparagraph  
8 (A) are met.

9 “(C) BONDS DESCRIBED.—A bond is de-  
10 scribed in this paragraph if, with respect to any  
11 federally declared disaster, such bond—

12 “(i) was outstanding on the applicable  
13 disaster date, and

14 “(ii) is issued by an applicable State  
15 or a political subdivision thereof.

16 “(D) AGGREGATE LIMIT.—The maximum  
17 aggregate face amount of bonds which may be  
18 designated under this subsection by the Gov-  
19 ernor of a State shall not exceed  
20 \$4,500,000,000.

21 “(E) ADDITIONAL REQUIREMENTS.—The  
22 requirements of this subparagraph are met with  
23 respect to any advance refunding of a bond de-  
24 scribed in subparagraph (C) if—

1 “(i) no advance refundings of such  
2 bond would be allowed under this title on  
3 or after the applicable disaster date,

4 “(ii) the advance refunding bond is  
5 the only other outstanding bond with re-  
6 spect to the refunded bond, and

7 “(iii) the requirements of section 148  
8 are met with respect to all bonds issued  
9 under this paragraph.

10 “(F) DEFINITIONS.—For purposes of this  
11 subsection—

12 “(i) FEDERALLY DECLARED DIS-  
13 ASTER; DISASTER AREA.—The terms ‘fed-  
14 erally declared disaster’ and ‘disaster area’  
15 have the meanings given such terms under  
16 section 165(i)(5).

17 “(ii) APPLICABLE DISASTER DATE.—  
18 The term ‘applicable disaster date’ means,  
19 with respect to any federally declared dis-  
20 aster, the date on which such federally de-  
21 clared disaster occurs.

22 “(iii) APPLICABLE STATE.—The term  
23 ‘applicable State’ means, with respect to  
24 any federally declared disaster, any State

1                   in which a portion of the disaster area is  
2                   located.”.

3           (b) **EFFECTIVE DATE.**—The amendment made by  
4 this section shall apply to bonds issued after the date of  
5 the enactment of this Act.

6 **SEC. 114. QUALIFIED DISASTER AREA RECOVERY BONDS.**

7           (a) **IN GENERAL.**—Subpart A of part IV of sub-  
8 chapter B of chapter 1 of the Internal Revenue Code of  
9 1986 is amended by inserting after section 146 the fol-  
10 lowing new section:

11 **“SEC. 146A. QUALIFIED DISASTER AREA RECOVERY BONDS.**

12           “(a) **IN GENERAL.**—For purposes of this title, any  
13 qualified disaster area recovery bond shall—

14                   “(1) be treated as an exempt facility bond, and

15                   “(2) not be subject to section 146.

16           “(b) **QUALIFIED DISASTER AREA RECOVERY**  
17 **BOND.**—For purposes of this section, the term ‘qualified  
18 disaster area recovery bond’ means any bond issued as  
19 part of an issue if—

20                   “(1) 95 percent or more of the net proceeds of  
21 such issue are to be used for qualified project costs,

22                   “(2) such bond is issued by a State or any po-  
23 litical subdivision thereof any part of which is in a  
24 qualified disaster area,

1           “(3) the Governor of the issuing State des-  
2           ignates such bond for purposes of this section, and

3           “(4) such bond is issued after the date of the  
4           enactment of this section and before January 1,  
5           2017.

6           “(c) LIMITATION ON AMOUNT OF BONDS.—

7           “(1) IN GENERAL.—The maximum aggregate  
8           face amount of bonds which may be designated  
9           under this section by any State shall not exceed  
10          \$10,000,000,000.

11          “(2) MOVABLE PROPERTY.—No bonds shall be  
12          issued which are to be used for movable fixtures and  
13          equipment.

14          “(3) TREATMENT OF CURRENT REFUNDING  
15          BONDS.—Paragraph (1) shall not apply to any bond  
16          (or series of bonds) issued to refund a qualified dis-  
17          aster area recovery bond, if—

18                  “(A) the average maturity date of the issue  
19                  of which the refunding bond is a part is not  
20                  later than the average maturity date of the  
21                  bonds to be refunded by such issue,

22                  “(B) the amount of the refunding bond  
23                  does not exceed the outstanding amount of the  
24                  refunded bond, and

1           “(C) the net proceeds of the refunding  
2           bond are used to redeem the refunded bond not  
3           later than 90 days after the date of the  
4           issuance of the refunding bond.

5           For purposes of subparagraph (A), average maturity  
6           shall be determined in accordance with section  
7           147(b)(2)(A).

8           “(d) QUALIFIED PROJECT COSTS.—For purposes of  
9           this section, the term ‘qualified project costs’ means the  
10          cost of acquisition, construction, reconstruction, and ren-  
11          ovation of—

12           “(1) residential rental property (as defined in  
13          section 142(d)),

14           “(2) nonresidential real property (including  
15          fixed improvements associated with such property),

16           “(3) a facility described in paragraph (2) or (3)  
17          of section 142(a), or

18           “(4) public utility property (as defined in sec-  
19          tion 168(i)(10)),

20          which is located in a qualified disaster area and was dam-  
21          aged or destroyed by reason of a federally declared dis-  
22          aster.

23           “(e) SPECIAL RULES.—In applying this title to any  
24          qualified disaster area recovery bond, the following modi-  
25          fications shall apply:



1           “(1) Section 147(d) (relating to acquisition of  
2 existing property not permitted) shall be applied by  
3 substituting ‘50 percent’ for ‘15 percent’ each place  
4 it appears.

5           “(2) Section 148(f)(4)(C) (relating to exception  
6 from rebate for certain proceeds to be used to fi-  
7 nance construction expenditures) shall apply to the  
8 available construction proceeds of bonds issued  
9 under this section. For purposes of the preceding  
10 sentence, the following spending requirements shall  
11 apply in lieu of the requirements in clause (ii) of  
12 such section:

13           “(A) 40 percent of such available construc-  
14 tion proceeds are spent for the governmental  
15 purposes of the issue within the 2-year period  
16 beginning on the date the bonds are issued.

17           “(B) 60 percent of such proceeds are spent  
18 for such purposes within the 3-year period be-  
19 ginning on such date.

20           “(C) 80 percent of such proceeds are spent  
21 for such purposes within the 4-year period be-  
22 ginning on such date.

23           “(D) 100 percent of such proceeds are  
24 spent for such purposes within the 5-year pe-  
25 riod beginning on such date.

1           “(3) Repayments of principal on financing pro-  
2           vided by the issue—

3                   “(A) may not be used to provide financing,  
4                   and

5                   “(B) must be used not later than the close  
6                   of the first semiannual period beginning after  
7                   the date of the repayment to redeem bonds  
8                   which are part of such issue.

9           The requirement of subparagraph (B) shall be treat-  
10           ed as met with respect to amounts received within  
11           5 years after the date of issuance of the issue (or,  
12           in the case of a refunding bond, the date of issuance  
13           of the original bond) if such amounts are used by  
14           the close of such 5 years to redeem bonds which are  
15           part of such issue.

16                   “(4) Section 57(a)(5) shall not apply.

17           “(f) SEPARATE ISSUE TREATMENT OF PORTIONS OF  
18 AN ISSUE.—This section shall not apply to the portion of  
19 an issue which (if issued as a separate issue) would be  
20 treated as a qualified bond or as a bond that is not a  
21 private activity bond (determined without regard to para-  
22 graph (1)), if the issuer elects to so treat such portion.

23           “(g) QUALIFIED DISASTER AREA; FEDERALLY DE-  
24 CLARED DISASTER.—

1           “(1) **QUALIFIED DISASTER AREA.**—The term  
2 ‘qualified disaster area’ means any area determined  
3 to warrant individual or individual and public assist-  
4 ance from the Federal Government under the Robert  
5 T. Stafford Disaster Relief and Emergency Assist-  
6 ance Act by reason of a federally declared disaster  
7 occurring during the period beginning after Decem-  
8 ber 31, 2011, and before January 1, 2016.

9           “(2) **FEDERALLY DECLARED DISASTER.**—The  
10 term ‘federally declared disaster’ has the meaning  
11 given to such term under section 165(i)(5).”.

12       (b) **CLERICAL AMENDMENT.**—The table of sections  
13 for subpart A of part IV of subchapter B of chapter 1  
14 of such Code is amended by inserting after the item relat-  
15 ing to section 146 the following new item:

“Sec. 146A. Qualified disaster area recovery bonds.”.

16       (c) **EFFECTIVE DATE.**—The amendments made by  
17 this section shall apply to obligations issued after Decem-  
18 ber 31, 2015.

19     **SEC. 115. ADDITIONAL LOW-INCOME HOUSING CREDIT AL-**  
20                                   **LOCATIONS.**

21       (a) **IN GENERAL.**—Paragraph (3) of section 42(h) of  
22 the Internal Revenue Code of 1986 (relating to limitation  
23 on aggregate credit allowable with respect to projects lo-  
24 cated in a State) is amended by adding at the end the  
25 following new subparagraph:

1           “(J) INCREASE IN STATE HOUSING CREDIT  
2           FOR STATES DAMAGED BY NATURAL DISAS-  
3           TERS.—

4           “(i) IN GENERAL.—In the case of cal-  
5           endar year 2016, the State housing credit  
6           ceiling of each State any portion of which  
7           includes any portion of a qualifying dis-  
8           aster area shall be increased by so much of  
9           the aggregate housing credit dollar amount  
10          as does not exceed the applicable limitation  
11          allocated by the State housing credit agen-  
12          cy of such State for such calendar year to  
13          buildings located in qualifying disaster  
14          areas.

15          “(ii) APPLICABLE LIMITATION.—For  
16          purposes of clause (i), the applicable limi-  
17          tation is the greater of—

18                  “(I) \$8 multiplied by the popu-  
19                  lation of the qualifying disaster areas  
20                  in such State, or

21                  “(II) 50 percent of the State  
22                  housing credit ceiling (determined  
23                  without regard to this subparagraph)  
24                  for 2015.

1           “(iii) APPLICABLE PERCENTAGE.—  
2           For purposes of this section, the applicable  
3           percentage with respect to any building to  
4           which amounts allocated under clause (i)  
5           shall be determined under subsection  
6           (b)(2), except that subparagraph (A)  
7           thereof shall be applied by substituting  
8           ‘January 1, 2016’ for ‘January 1, 2015’.

9           “(iv) ALLOCATIONS TREATED AS  
10          MADE FIRST FROM ADDITIONAL ALLOCA-  
11          TION AMOUNT FOR PURPOSES OF DETER-  
12          MINING CARRYOVER.—For purposes of de-  
13          termining the unused State housing credit  
14          ceiling under subparagraph (C) for any  
15          calendar year, any increase in the State  
16          housing credit ceiling under clause (i) shall  
17          be treated as an amount described in  
18          clause (ii) of such subparagraph.

19          “(v) QUALIFYING DISASTER AREA.—  
20          For purposes of this subparagraph, the  
21          term ‘qualifying federally declared disaster  
22          area’ means—

23                       “(I) each county which is deter-  
24                       mined to warrant individual or indi-  
25                       vidual and public assistance from the

1 Federal Government under a quali-  
2 fying natural disaster declaration de-  
3 scribed in clause (vi)(I), and

4 “(II) each county not described  
5 in subclause (I) which is included in  
6 the geographical area covered by a  
7 qualifying natural disaster declaration  
8 described in subclause (II) or (III) of  
9 clause (vi).

10 “(vi) QUALIFYING NATURAL DISASTER  
11 DECLARATION.—For purposes of clause  
12 (v), the term ‘qualifying natural disaster  
13 declaration’ means—

14 “(I) a federally declared disaster  
15 (as defined in section 165(i)(5)) oc-  
16 ccurring during the period beginning  
17 after December 31, 2011, and before  
18 January 1, 2016,

19 “(II) a natural disaster declared  
20 by the Secretary of Agriculture in  
21 2011 due to damaging weather and  
22 other conditions relating to Hurricane  
23 Irene or Tropical Storm Lee under  
24 section 321(a) of the Consolidated

1 Farm and Rural Development Act (7  
2 U.S.C. 1961(a)), or

3 “(III) a major disaster or emer-  
4 gency designated by the President in  
5 2011 due to damaging weather and  
6 other conditions relating to Hurricane  
7 Irene or Tropical Storm Lee under  
8 the Robert T. Stafford Disaster Relief  
9 and Emergency Assistance Act (42  
10 U.S.C. 5121 et seq.).”

11 (b) EFFECTIVE DATE.—The amendment made by  
12 this section shall take effect on the date of the enactment  
13 of this Act.

14 **SEC. 116. FACILITATION OF TRANSFER OF WATER LEASING**  
15 **AND WATER BY MUTUAL DITCH OR IRRIGA-**  
16 **TION COMPANIES IN DISASTER AREAS.**

17 (a) IN GENERAL.—Paragraph (12) of section 501(c)  
18 of the Internal Revenue Code of 1986 is amended by add-  
19 ing at the end the following new subparagraph:

20 “(I) TREATMENT OF MUTUAL DITCH OR  
21 IRRIGATION COMPANIES IN CERTAIN DISASTER  
22 AREAS.—

23 “(i) IN GENERAL.—In the case of a  
24 qualified mutual ditch or irrigation com-  
25 pany or like organization, subparagraph

1 (A) shall be applied without taking into ac-  
2 count any income received or accrued dur-  
3 ing the applicable period—

4 “(I) from the sale, lease, or ex-  
5 change of fee or other interests in real  
6 property, including interests in water,

7 “(II) from the sale or exchange  
8 of stock in a mutual ditch or irriga-  
9 tion company or like organization or  
10 contract rights for the delivery or use  
11 of water,

12 “(III) from the investment of  
13 proceeds from sales, leases, or ex-  
14 changes under subclauses (I) and (II),  
15 or

16 “(IV) from the United States, or  
17 a State or local government, resulting  
18 from the federally declared disaster,  
19 except that any income received under sub-  
20 clause (I), (II), (III), or (IV) which is dis-  
21 tributed or expended for expenses (other  
22 than for operations, maintenance, and cap-  
23 ital improvements) of the qualified mutual  
24 ditch or irrigation company or like organi-  
25 zation shall be treated as nonmember in-



1           come in the year in which it is distributed  
2           or expended.

3           “(ii) QUALIFIED MUTUAL DITCH OR  
4           IRRIGATION COMPANY OR LIKE ORGANIZA-  
5           TION.—For purposes of this paragraph—

6           “(I) IN GENERAL.—The term  
7           ‘qualified mutual ditch or irrigation  
8           company or like organization’ means  
9           any mutual ditch or irrigation com-  
10          pany or like organization that di-  
11          verted, delivered, transported, stored,  
12          or used its water for agricultural irri-  
13          gation purposes on its own or through  
14          its shareholders in a qualified disaster  
15          area during any of calendar years  
16          2012 through 2015.

17          “(II) QUALIFIED ASSET.—The  
18          term ‘qualified asset’ means any real  
19          property or tangible personal property  
20          used in the mutual ditch or irrigation  
21          company’s (or like organization’s) sys-  
22          tem.

23          “(III) MULTIPLE AREAS.—Under  
24          regulations, if the qualified assets of  
25          any mutual ditch or irrigation com-

1           pany or like organization are located  
2           in more than 1 qualified disaster area,  
3           all such areas shall be treated as 1  
4           area and if more than 1 federally de-  
5           clared disaster is involved, the date on  
6           which the last of such disasters oc-  
7           curred shall be the date used for pur-  
8           poses of this paragraph.

9           “(iii) APPLICABLE PERIOD.—For pur-  
10          poses of this paragraph, the term ‘applica-  
11          ble period’ means the taxable year in which  
12          the federally declared disaster occurred  
13          and the 5 following taxable years.

14          “(iv) OTHER DEFINITIONS.—

15                 “(I) QUALIFIED DISASTER  
16                 AREA.—The term ‘qualified disaster  
17                 area’ means any area determined to  
18                 warrant individual or individual and  
19                 public assistance from the Federal  
20                 Government under the Robert T.  
21                 Stafford Disaster Relief and Emer-  
22                 gency Assistance Act by reason of a  
23                 federally declared disaster occurring  
24                 during the period beginning on Janu-

1 ary 1, 2012, and ending on December  
2 31, 2015.

3 “(II) FEDERALLY DECLARED  
4 DISASTER.—The term ‘federally de-  
5 clared disaster’ has the meaning given  
6 to such term under section  
7 165(i)(5).”.

8 (b) EFFECTIVE DATE.—The amendment made by  
9 subsection (a) shall apply to taxable years ending after  
10 December 31, 2011.

## 11 **TITLE II—OTHER DISASTER TAX** 12 **RELIEF PROVISIONS**

### 13 **SEC. 201. EXCLUSION FOR DISASTER MITIGATION PAY-** 14 **MENTS RECEIVED FROM STATE AND LOCAL** 15 **GOVERNMENTS.**

16 (a) IN GENERAL.—Paragraph (2) of section 139(g)  
17 of the Internal Revenue Code of 1986 is amended by in-  
18 serting “, or any other amount which is paid by a State  
19 or local government or agency or instrumentality thereof,”  
20 after “(as in effect on such date)”.

21 (b) EFFECTIVE DATE.—The amendment made by  
22 this section shall apply to payments received after the date  
23 of the enactment of this Act.

1 SEC. 202. NATURAL DISASTER FUNDS.

2 (a) NATURAL DISASTER FUND.—Subpart C of part  
3 II of subchapter E of chapter 1 of the Internal Revenue  
4 Code of 1986 is amended by inserting after section 468B  
5 the following new section:

6 “SEC. 468C. SPECIAL RULES FOR NATURAL DISASTER  
7 FUNDS.

8 “(a) IN GENERAL.—If a qualified taxpayer elects the  
9 application of this section, there shall be allowed as a de-  
10 duction for any taxable year the amount of payments  
11 made by the taxpayer to a natural disaster fund during  
12 such taxable year.

13 “(b) NATURAL DISASTER FUND.—The term ‘natural  
14 disaster fund’ means a fund meeting the following require-  
15 ments:

16 “(1) DESIGNATION.—The taxpayer des-  
17 ignates—

18 “(A) the fund as a natural disaster fund in  
19 the manner prescribed by the Secretary, and

20 “(B) the line or lines of business to which  
21 the fund applies.

22 “(2) SEGREGATION.—The assets of the fund  
23 are segregated from other assets of the taxpayer.

24 “(3) INVESTMENTS.—

1           “(A) The assets of the fund are main-  
2           tained in one or more qualified accounts and  
3           are invested only in—

4                   “(i) deposits with banks whose depos-  
5                   its are insured subject to applicable limits  
6                   by the Federal Deposit Insurance Corpora-  
7                   tion, or

8                   “(ii) in stock or other securities in  
9                   which the fund would be permitted to in-  
10                  vest if it were a capital construction fund  
11                  subject to the investment limitations of  
12                  paragraphs (2) and (3) of section  
13                  7518(b)(2).

14           “(B) All investment earnings (including  
15           gains and losses) from investments of the fund  
16           become part of the fund.

17           “(4) CONTRIBUTIONS TO THE FUND.—The  
18           fund does not accept any deposits (or other  
19           amounts) other than cash payments with respect to  
20           which a deduction is allowable under subsection (a)  
21           and earnings (including gains and losses) from fund  
22           investments.

23           “(5) PURPOSE.—The fund is established and  
24           maintained for the purposes of covering costs, ex-  
25           penses, and losses (including business interruption

1 losses) resulting from a Federally declared natural  
2 disaster to the extent such costs are not covered by  
3 insurance.

4 “(6) MAXIMUM BALANCE.—The balance of the  
5 fund does not exceed the lesser of—

6 “(A) the sum of—

7 “(i) 150 percent of the maximum de-  
8 ductible, and

9 “(ii) 100 percent of the maximum co-  
10 insurance (to the extent not taken into ac-  
11 count in clause (i)),

12 that, in the case of a Federally declared natural  
13 disaster resulting in losses, the taxpayer could  
14 be expected to pay with respect to property and  
15 business interruption insurance maintained by  
16 the taxpayer for the line of business to which  
17 the fund applies and that would cover losses re-  
18 sulting from a Federally declared natural dis-  
19 aster, and

20 “(B) the maximum loss under any insur-  
21 ance coverage that the taxpayer could reason-  
22 ably expect to occur for the line of business in  
23 the case of a severe natural disaster.

24 “(7) FINANCIAL STATEMENTS.—The fund or  
25 the balance of the fund is recorded in the taxpayer’s

1 financial statements in accordance with generally ac-  
2 cepted accounting principles and not as a current  
3 asset and the footnotes to the taxpayer's financial  
4 statements include a short description of the fund  
5 and its purposes.

6 “(8) INSURANCE.—The taxpayer property in-  
7 surance maintained by the qualified taxpayer applies  
8 to 75 percent or more of the property used—

9 “(A) in the qualified taxpayer's line of  
10 business to which the fund relates, and

11 “(B) in the United States.

12 “(c) QUALIFIED TAXPAYER.—For purposes of this  
13 section, the term ‘qualified taxpayer’ means any taxpayer  
14 that—

15 “(1) actively conducts a trade or business, and

16 “(2) maintains property insurance with respect  
17 to such trade or business that insures against losses  
18 in natural disasters.

19 “(d) FAILURE TO MEET REQUIREMENTS.—If a fund  
20 that was a natural disaster fund ceases to meet any of  
21 the requirements of subsection (b) or a taxpayer who has  
22 a natural disaster fund ceases to meet the requirement  
23 of subsection (c), the entire balance of the fund shall be  
24 deemed distributed in a nonqualified distribution at the  
25 time the fund ceases to meet such requirements.

1 “(e) TAXATION OF FUND.—

2 “(1) IN GENERAL.—The earnings (including  
3 gains and losses) from the investment and reinvest-  
4 ment of amounts held in the fund shall not be taken  
5 into account in determining the gross income of the  
6 taxpayer that owns the fund.

7 “(2) NOT A SEPARATE TAXPAYER.—A natural  
8 disaster fund shall not be considered a separate tax-  
9 payer for purposes of this subtitle.

10 “(f) TAXATION OF DISTRIBUTIONS FROM THE  
11 FUND.—

12 “(1) QUALIFIED DISTRIBUTIONS.—For pur-  
13 poses of this chapter, qualified distributions shall be  
14 treated in the same manner as proceeds from prop-  
15 erty or business interruption insurance.

16 “(2) NONQUALIFIED DISTRIBUTIONS.—

17 “(A) IN GENERAL.—In the case of any  
18 taxable year for which there is a nonqualified  
19 distribution—

20 “(i) such nonqualified distributions  
21 shall be excluded from the gross income of  
22 the taxpayer, and

23 “(ii) the tax imposed by this chapter  
24 (determined without regard to this sub-  
25 section) shall be increased by the product



1 of the amount of such nonqualified dis-  
2 tribution and the highest rate of tax speci-  
3 fied in section 1 (section 11 in the case of  
4 a corporation).

5 “(B) TAX BENEFIT RULE; COORDINATION  
6 WITH DEDUCTION FOR NET OPERATING  
7 LOSSES.—Rules similar to the rules of subpara-  
8 graphs (B) and (C) of section 7518(g)(6) shall  
9 apply for purposes of this paragraph.

10 “(3) ADDITIONAL TAX.—The tax imposed by  
11 this chapter for any taxable year on any taxpayer  
12 that owns a natural disaster fund shall be increased  
13 by the greater of—

14 “(A) 20 percent of the amount of any non-  
15 qualified distributions from the fund in the tax-  
16 able year, and

17 “(B) an amount equal to interest, at the  
18 underpayment rate established under section  
19 6621, on the nonqualified distribution from the  
20 time the amount is added to the fund to the  
21 time the amount is distributed.

22 “(4) INTEREST CALCULATION.—For purposes  
23 of calculating interest under paragraph (3)(B)—

24 “(A) all investment earnings (including  
25 gains or losses) in the taxable year shall be

1 treated as added to the fund on the last day of  
2 the taxable year, and

3 “(B) amounts distributed from the fund  
4 shall be treated as distributed on a first-in,  
5 first-out basis.

6 “(g) DEFINITIONS.—For purposes of this section—

7 “(1) FEDERALLY DECLARED NATURAL DIS-  
8 ASTER.—The term ‘Federally declared natural dis-  
9 aster’ means a natural disaster that is determined  
10 by Presidential declaration under the Robert T.  
11 Stafford Disaster Relief and Emergency Assistance  
12 Act to warrant individual or individual and public  
13 assistance under such Act.

14 “(2) NONQUALIFIED DISTRIBUTION.—The term  
15 ‘nonqualified distribution’ means a distribution from  
16 a natural disaster fund other than a qualified dis-  
17 tribution.

18 “(3) QUALIFIED ACCOUNT.—The term ‘quali-  
19 fied account’ means an account with a bank (as de-  
20 fined in section 581) or a brokerage account but  
21 only if the investments of such accounts are limited  
22 to those permitted by subsection (b)(3) and no in-  
23 vestments are made in a related person (as defined  
24 in section 465(b)(3)(C)) to the taxpayer.

25 “(4) QUALIFIED DISTRIBUTION.—

1           “(A) IN GENERAL.—The term ‘qualified  
2 distribution’ means with respect to a natural  
3 disaster fund an amount equal to the excess  
4 of—

5                   “(i) costs, expenses, and losses (in-  
6 cluding losses of a type reimbursable by  
7 proceeds of business interruption insur-  
8 ance) incurred by the taxpayer as a result  
9 of the Federally declared natural disaster  
10 with respect to the line or lines of business  
11 for which the fund was designated, over

12                   “(ii) the proceeds of property and  
13 business interruption insurance paid for  
14 the benefit of the taxpayer with respect to  
15 costs, expenses, and losses described in  
16 clause (i).

17           “(B) LIMITATION.—A distribution from a  
18 natural disaster fund shall not be treated as a  
19 qualified distribution if such distribution is allo-  
20 cated to a Federally declared natural disaster  
21 occurring more than 3 years before the date of  
22 such distribution.

23           “(h) SPECIAL RULES.—For purposes of this sec-  
24 tion—

1           “(1) NO DOUBLE COUNTING.—Any portion of  
2 any deductible or coinsurance taken into account  
3 under subsection (b)(6) in determining the maximum  
4 balance for a natural disaster fund shall not  
5 be taken into account in determining the maximum  
6 balance for another natural disaster fund.

7           “(2) EXCESS BALANCE.—

8           “(A) IN GENERAL.—If the balance of a  
9 natural disaster fund exceeds the maximum balance  
10 permitted by subsection (b)(6) by reason  
11 of investment earnings or a reduction in the  
12 maximum balance, the account shall not cease  
13 to be a natural disaster fund as the result of  
14 exceeding such limit if the excess is distributed  
15 within 120 days of the date that such excess  
16 first occurred.

17           “(B) TREATMENT OF DISTRIBUTIONS OF  
18 EXCESS BALANCE.—In the case of any distribu-  
19 tion of the excess balance of a natural disaster  
20 fund within 120 days of the date that such ex-  
21 cess first occurred—

22           “(i) paragraphs (2) and (3) of sub-  
23 section (f) shall not apply to the distribu-  
24 tion of such excess if distributed within  
25 such period, and

1           “(ii) the amount of such distribution  
2           shall be included in the gross income of the  
3           taxpayer in the year such distribution was  
4           made.

5           “(C) ANTI-ABUSE RULE.—Subparagraph  
6           (B) shall not apply in the case of any reduction  
7           in the maximum balance resulting from any ac-  
8           tion of the taxpayer the primary purpose of  
9           which was to reduce the maximum balance to  
10          enable a distribution that would not be subject  
11          to the maximum tax rate calculation or the ad-  
12          ditional tax.

13          “(3) CERTAIN ASSET ACQUISITIONS.—The  
14          transfer of a natural disaster fund (or the portion of  
15          a natural disaster fund) from one person to another  
16          person shall not constitute a nonqualified distribu-  
17          tion if—

18                  “(A) such transfer is part of a trans-  
19                  action—

20                          “(i) to which section 381 applies,

21                          “(ii) the transferee acquires substan-  
22                          tially all of the assets of the transferor  
23                          used in the line or lines of business for  
24                          which the fund was designated,

1           “(iii) the transferee acquires substan-  
2           tially all of the assets of the transferor  
3           used in one, but not all, of the lines of  
4           business for which the fund was des-  
5           ignated, or

6           “(iv) the transferee acquires substan-  
7           tially all of the transferor’s assets located  
8           in a geographical area and used in a line  
9           of business for which the fund was des-  
10          ignated, and

11          “(B) the transferee elects to treat the ac-  
12          quired natural disaster fund (or portion there-  
13          of) as a natural disaster fund for the line of  
14          business for which the transferor had previously  
15          designated the fund and as a continuation of  
16          the fund (or pro rata portion thereof) for pur-  
17          poses of determining the additional tax imposed  
18          by subsection (f)(4).

19          “(i) REGULATIONS.—The Secretary shall prescribe  
20          such regulations as may be necessary or appropriate to  
21          carry out the provisions of this section.”.

22          (b) CLERICAL AMENDMENT.—The table of sections  
23          for subpart C of part II of subchapter E of chapter 1 of  
24          the Internal Revenue Code of 1986 is amended by insert-

1 ing after the item relating to section 468B the following  
 2 new item:

“Sec. 468C. Special rules for natural disaster funds.”.

3 (c) **EFFECTIVE DATE.**—The amendment made by  
 4 this section shall apply to taxable years beginning after  
 5 December 31, 2014.

6 **TITLE III—PERMANENT TAX**  
 7 **DISASTER RELIEF PROVISIONS**

8 **SEC. 301. INCREASE PROPERTY REPLACEMENT PERIOD TO**  
 9 **5 YEARS.**

10 (a) **IN GENERAL.**—Section 1033(a)(2) of the Internal  
 11 Revenue Code of 1986 is amended by adding at the end  
 12 the following:

13 “(F) **FEDERALLY DECLARED DISASTER.**—

14 “(i) **IN GENERAL.**—In the case of con-  
 15 verted property that is located in the dis-  
 16 aster area of a federally declared disaster  
 17 occurring during a calendar year beginning  
 18 after 2011 and that is damaged or de-  
 19 stroyed by the federally declared disaster,  
 20 subparagraph (B)(i) shall be applied by  
 21 substituting ‘5 years’ for ‘2 years’.

22 “(ii) **FEDERALLY DECLARED DIS-**  
 23 **ASTER AND DISASTER AREA.**—For pur-  
 24 poses of clause (i), the terms ‘federally de-  
 25 clared disaster’ and ‘disaster area’ have

1 the meanings given such terms under sec-  
2 tion 165(i)(5).”.

3 (b) CONFORMING AMENDMENT.—Section  
4 1033(h)(1)(B) of the Internal Revenue Code of 1986 is  
5 amended by striking “4 years” and inserting “5 years”.

6 (c) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to disasters declared after Decem-  
8 ber 31, 2015.

9 **SEC. 302. WAGE CREDIT FOR SPECIFIED DISASTER-DAM-**  
10 **AGED BUSINESSES.**

11 (a) IN GENERAL.—Subpart D of part IV of sub-  
12 chapter A of chapter 1 of the Internal Revenue Code of  
13 1986 is amended by adding at the end the following new  
14 section:

15 **“SEC. 45S. WAGE CREDIT FOR SPECIFIED DISASTER-DAM-**  
16 **AGED BUSINESSES.**

17 “(a) GENERAL RULE.—For purposes of section 38,  
18 in the case of an eligible employer, the specified disaster-  
19 damaged business wage credit for any taxable year is an  
20 amount equal to 40 percent of the qualified wages for such  
21 year.

22 “(b) QUALIFIED WAGES DEFINED.—For purposes of  
23 this section—

24 “(1) IN GENERAL.—The term ‘qualified wages’  
25 means, with respect to any covered employee, wages



1 paid or incurred by the eligible employer to the em-  
2 ployee who is not able to work at the disaster-dam-  
3 aged business of the employer during an inoper-  
4 ability period because of a federally declared dis-  
5 aster. Such term shall not include amounts paid or  
6 incurred for overtime compensation.

7 “(2) LIMITATIONS.—

8 “(A) LIMITATION ON WAGES TAKEN INTO  
9 ACCOUNT.—The amount of the qualified wages  
10 with respect to any individual which may be  
11 taken into account with respect to a federally  
12 declared disaster shall not exceed \$6,000.

13 “(B) INOPERABILITY PERIOD.—The inop-  
14 erability period with respect to a federally de-  
15 clared disaster is the period beginning with the  
16 first day the trade or business is rendered inop-  
17 erable due to damage from the federally de-  
18 clared disaster and ending on the earlier of—

19 “(i) the last day on which the trade or  
20 business is inoperable, or

21 “(ii) 16 weeks after the first day of  
22 such disaster.

23 “(c) DEFINITIONS.—For purposes of this section—

24 “(1) ELIGIBLE EMPLOYER.—

1           “(A) IN GENERAL.—The term ‘eligible em-  
2           ployer’ means, with respect to any taxable year,  
3           any employer which—

4                   “(i) employed an average of less than  
5                   200 employees on business days during  
6                   such taxable year, and

7                   “(ii) has a disaster-damaged business.

8           “(B) DISASTER-DAMAGED BUSINESS.—The  
9           term ‘disaster-damaged business’ means a place  
10           of business within a disaster area which is ren-  
11           dered inoperable due to damage from the feder-  
12           ally declared disaster.

13           “(C) CONTROLLED GROUPS.—For pur-  
14           poses of this section, all persons treated as a  
15           single employer under subsection (b), (c), (m),  
16           or (o) of section 414 shall be treated as a single  
17           employer.

18           “(2) COVERED EMPLOYEE.—The term ‘covered  
19           employee’ means, with respect to an eligible em-  
20           ployer, an individual—

21                   “(A) whose principal place of employment  
22                   is in a disaster area with respect to a federally  
23                   declared disaster, and

1           “(B) who has been employed by the em-  
2           ployer for more than 30 days before the first  
3           day of the federally declared disaster.

4           “(3) **FEDERALLY DECLARED DISASTER AND**  
5           **DISASTER AREA.**—For purposes of clause (i), the  
6           terms ‘federally declared disaster’ and ‘disaster area’  
7           have the meanings given such terms under section  
8           165(i)(5).”.

9           **(b) ALLOWANCE AS GENERAL BUSINESS CREDIT.**—  
10          Section 38(b) of the Internal Revenue Code of 1986 is  
11          amended by striking “plus” at the end of paragraph (35),  
12          by striking the period at the end of paragraph (36) and  
13          inserting “, plus”, and by adding at the end the following:

14                 “(37) the specified disaster-damaged business  
15                 wage credit determined under section 45S(a).”.

16          **(c) DENIAL OF DOUBLE BENEFIT.**—Subsection (a)  
17          of section 280C of the Internal Revenue Code of 1986 is  
18          amended by inserting “45S(a),” after “45P(a)”.

19          **(d) CLERICAL AMENDMENT.**—The table of contents  
20          for subpart D of part IV of subchapter A of chapter 1  
21          of the Internal Revenue Code of 1986 is amended by add-  
22          ing at the end the following new item:

                  “Sec. 45S. Wage credit for specified disaster-damaged businesses.”.

23          **(e) EFFECTIVE DATE.**—The amendments made by  
24          this section shall apply to taxable years beginning after  
25          December 31, 2015.

1 SEC. 303. DISASTER-RELATED MEDICAL EXPENSES.

2 (a) IN GENERAL.—Section 213 of the Internal Rev-  
3 enue Code of 1986 is amended by adding at the end the  
4 following new subsection:

5 “(g) DISASTER-RELATED MEDICAL EXPENSES.—

6 “(1) IN GENERAL.—In the case of expenses di-  
7 rectly related to an injury caused by a federally de-  
8 clared disaster occurring during the taxable year or  
9 the preceding taxable year, there shall be allowed a  
10 separate deduction under this section, which shall be  
11 determined under this section (without regard to  
12 this subsection), except that—

13 “(A) subsection (a) shall be applied by  
14 substituting ‘zero percent’ for ‘10 percent’, and

15 “(B) subsection (f) shall be applied by sub-  
16 stituting ‘zero percent’ for ‘7.5 percent’.

17 “(2) COORDINATION.—Any expense taken into  
18 account under paragraph (1) shall not be treated as  
19 an expense taken into account under this section  
20 (without regard to this section).

21 “(3) FEDERALLY DECLARED DISASTER.—For  
22 purposes of this subsection, the term ‘federally de-  
23 clared disaster’ shall have the meaning given such  
24 term under section 165(i)(5).”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a) shall apply with respect to disasters occur-  
3 ring after the date of the enactment of this Act.

4 SEC. 304. EXPENSING OF QUALIFIED DISASTER EXPENSES.

5 (a) IN GENERAL.—Section 198A(b)(2)(A)(ii) of the  
6 Internal Revenue Code of 1986, as added by section 101  
7 of this Act, is amended by striking “and before January  
8 1, 2016,”.

9 (b) EFFECTIVE DATE.—The amendment made by  
10 this section shall apply to amounts paid or incurred after  
11 December 31, 2015.

12 SEC. 305. LOSSES ATTRIBUTABLE TO DISASTERS.

13 (a) IN GENERAL.—Section 165(h)(3)(B)(i)(I) of the  
14 Internal Revenue Code of 1986, as amended by section  
15 103 of this Act, is amended by striking “the period begin-  
16 ning after December 31, 2011, and before January 1,  
17 2016,” and inserting “any period beginning after Decem-  
18 ber 31, 2011,”.

19 (b) EFFECTIVE DATE.—The amendment made by  
20 this section shall apply to disasters declared in taxable  
21 years beginning after December 31, 2015.

1 SEC. 306. NET OPERATING LOSSES ATTRIBUTABLE TO DIS-  
2 ASTERS.

3 (a) IN GENERAL.—Section 172(i)(1)(A)(i)(I) of the  
4 Internal Revenue Code of 1986 is amended by striking  
5 “and before January 1, 2016,”.

6 (b) EFFECTIVE DATE.—The amendment made by  
7 this section shall apply to disasters declared in taxable  
8 years beginning after December 31, 2015.

9 SEC. 307. SPECIAL RULES FOR USE OF RETIREMENT FUNDS  
10 IN CONNECTION WITH FEDERALLY DE-  
11 CLARED DISASTERS.

12 (a) WITHDRAWALS.—Section 72(t)(11)(A) of the In-  
13 ternal Revenue Code of 1986, as amended by section 108  
14 of this Act, is amended by striking “2011 and before Jan-  
15 uary 1, 2016,” and inserting “2011,”.

16 (b) LOANS.—Section 72(p)(6)(C)(ii) of such Code is  
17 amended by striking “and ending on December 31, 2016”.

18 (c) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to distributions with respect to dis-  
20 asters declared after December 31, 2015.

21 SEC. 308. ADDITIONAL EXEMPTION FOR HOUSING QUALI-  
22 FIED DISASTER DISPLACED INDIVIDUALS.

23 (a) IN GENERAL.—Section 151(f)(3)(B)(i) of the In-  
24 ternal Revenue Code of 1986, as amended by section 109  
25 of this Act, is amended by striking “and before 2016”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2015.

4 **SEC. 309. EXCLUSIONS OF CERTAIN CANCELLATIONS OF IN-**  
5 **DEBTEDNESS BY REASON OF DISASTERS.**

6 (a) IN GENERAL.—Section 108(j)(3) of the Internal  
7 Revenue Code of 1986, as amended by section 110 of this  
8 Act, is amended by striking “and before 2016”.

9 (b) EFFECTIVE DATE.—The amendment made by  
10 this section shall apply to discharges made on or after De-  
11 cember 31, 2015.

12 **SEC. 310. SPECIAL RULE FOR DETERMINING EARNED IN-**  
13 **COME OF INDIVIDUALS AFFECTED BY FEDER-**  
14 **ALLY DECLARED DISASTERS.**

15 (a) IN GENERAL.—Section 32(n)(2) of the Internal  
16 Revenue Code of 1986, as amended by section 111 of this  
17 Act, is amended by striking “and before 2016”.

18 (b) EFFECTIVE DATE.—The amendment made by  
19 this section shall apply to taxable years beginning after  
20 December 31, 2015.

21 **SEC. 311. QUALIFIED DISASTER AREA RECOVERY BONDS.**

22 (a) IN GENERAL.—Section 146A(b)(4) of the Inter-  
23 nal Revenue Code of 1986, as amended by section 114  
24 of this Act, is further amended by striking “and before  
25 January 1, 2017”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to obligations issued after Decem-  
3 ber 31, 2015.

4 SEC. 312. ADDITIONAL LOW-INCOME HOUSING CREDIT AL-  
5 LOCATIONS.

6 (a) IN GENERAL.—Section 42(h)(3)(J) of the Inter-  
7 nal Revenue Code of 1986, as amended by section 115  
8 of this Act, is amended—

9 (1) in clause (i) by striking “In the case of cal-  
10 endar year 2016,” and inserting “In the case of a  
11 calendar year beginning after 2015,”

12 (2) in clause (ii)(II) by striking “2015” and in-  
13 serting “the preceding calendar year”, and

14 (3) in clause (iii) by striking “January 1,  
15 2016” and inserting “January 1 of the calendar  
16 year in which the taxable year ends”.

17 (b) EFFECTIVE DATE.—The amendments made by  
18 this section shall take effect on the date of the enactment  
19 of this Act.

20 SEC. 313. SUSPENSION OF LIMITATION ON CHARITABLE  
21 CONTRIBUTIONS FOR DISASTER RELIEF EF-  
22 FORTS.

23 (a) IN GENERAL.—Section 170 of the Internal Rev-  
24 enue Code of 1986 is amended by redesignating subsection



1 (p) as subsection (q) and by inserting after subsection (o)  
2 the following new subsection:

3 “(p) SUSPENSION OF LIMITATION ON CHARITABLE  
4 CONTRIBUTIONS FOR DISASTER RELIEF EFFORTS.—

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

11 “(2) TREATMENT OF EXCESS CONTRIBU-  
12 TIONS.—

13 “(A) INDIVIDUALS.—

14 “(i) LIMITATION.—Any qualified con-  
15 tribution shall be allowed only to the ex-  
16 tent that the aggregate of such contribu-  
17 tions does not exceed the excess of the tax-  
18 payer’s contribution base over the amount  
19 of all other charitable contributions allowed  
20 under subsection (b)(1).

21 “(ii) CARRYOVER.—If the aggregate  
22 amount of qualified contributions made in  
23 the contribution year (within the meaning  
24 of subsection (d)(1)) exceeds the limitation  
25 of clause (i), such excess shall be added to

1 the excess described in the portion of sub-  
2 paragraph (A) of such subsection which  
3 precedes clause (i) thereof for purposes of  
4 applying such subsection.

5 “(B) CORPORATIONS.—

6 “(i) LIMITATION.—Any qualified con-  
7 tribution shall be allowed only to the ex-  
8 tent that the aggregate of such contribu-  
9 tions does not exceed the excess of the tax-  
10 payer’s taxable income (as determined  
11 under subsection (b)(2)) over the amount  
12 of all other charitable contributions allowed  
13 under such subsection.

14 “(ii) CARRYOVER.—Rules similar to  
15 the rules of subparagraph (A)(i) shall  
16 apply for purposes of this subparagraph.

17 “(3) EXCEPTION TO OVERALL LIMITATION ON  
18 ITEMIZED DEDUCTIONS.—So much of any deduction  
19 allowed under this section as does not exceed the  
20 qualified contributions paid during the taxable year  
21 shall not be treated as an itemized deduction for  
22 purposes of section 68 of such Code.

23 “(4) QUALIFIED CONTRIBUTIONS.—

1           “(A) IN GENERAL.—For purposes of this  
2 subsection, the term ‘qualified contribution’  
3 means any charitable contribution if—

4           “(i) such contribution—

5                   “(I) is paid during the 120-day  
6 period beginning on the date a Feder-  
7 ally declared disaster first occurred, in  
8 cash to an organization described in  
9 subsection (b)(1)(A), and

10                   “(II) is made for relief efforts in  
11 the disaster area with respect to  
12 which such declaration relates,

13           “(ii) the taxpayer obtains from such  
14 organization contemporaneous written ac-  
15 knowledgment that such contribution was  
16 used (or is to be used) for relief efforts de-  
17 scribed in clause (i)(II), and

18           “(iii) the taxpayer has elected the ap-  
19 plication of this subsection with respect to  
20 such contribution.

21           “(B) EXCEPTION.—Such term shall not in-  
22 clude a contribution by a donor if the contribu-  
23 tion is—

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

4 “(ii) for the establishment of a new,  
5 or maintenance of an existing, donor ad-  
6 vised fund (as defined in section  
7 4966(d)(2) of such Code).

8 “(C) APPLICATION TO PARTNERSHIPS AND  
9 S CORPORATIONS.—In the case of a partnership  
10 or S corporation, the election under subpara-  
11 graph (A)(iii) shall be made separately by each  
12 partner or shareholder.”.

13 (b) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to taxable years beginning after  
15 December 31, 2015.

16 SEC. 314. INCREASE IN NEW MARKETS TAX CREDIT ALLO-  
17 CATIONS.

18 (a) EXTENSION.—Section 45D(f)(4) of the Internal  
19 Revenue Code of 1986, as amended by the preceding pro-  
20 visions of this Act, is amended—

21 (1) by striking “and before 2017”, in subpara-  
22 graph (A), and

23 (2) by striking “, and before January 1, 2016”  
24 in subparagraph (D).

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to disasters occurring after Decem-  
3 ber 31, 2015.

4 SEC. 315. INCREASE IN REHABILITATION CREDIT FOR  
5 BUILDINGS IN DISASTER AREAS.

6 (a) IN GENERAL.—Section 47(e)(2)(B) of the Inter-  
7 nal Revenue Code of 1986, as added by this Act, is amend-  
8 ed by striking “and ending on December 31, 2015” and  
9 inserting “and ending on the date that is 6 years after  
10 such applicable disaster date”.

11 (b) EFFECTIVE DATE.—The amendment made by  
12 this section shall apply to periods beginning after Decem-  
13 ber 31, 2015.

14 SEC. 316. WAIVER OF CERTAIN MORTGAGE REVENUE BOND  
15 REQUIREMENTS FOLLOWING DISASTERS.

16 (a) IN GENERAL.—Section 143(k)(13) of the Inter-  
17 nal Revenue Code of 1986, as amended by this Act, is  
18 amended by striking “, and before January 1, 2016”.

19 (b) EFFECTIVE DATE.—The amendment made by  
20 this section shall apply to disasters occurring after Decem-  
21 ber 31, 2015.

1 SEC. 317. ADVANCED REFUNDINGS OF CERTAIN TAX-EX-  
2 EMPT BONDS.

3 (a) IN GENERAL.—Section 149(d)(7)(A) of the Inter-  
4 nal Revenue Code of 1986, as added by this Act, is amend-  
5 ed by striking “and before January 1, 2018,”.

6 (b) EFFECTIVE DATE.—The amendment made by  
7 this section shall apply to bonds issued after December  
8 31, 2017.

9 SEC. 318. FACILITATION OF TRANSFER OF WATER LEASING  
10 AND WATER BY MUTUAL DITCH OR IRRIGA-  
11 TION COMPANIES IN DISASTER AREAS.

12 (a) IN GENERAL.—Section 501(c)(12)(I) of the In-  
13 ternal Revenue Code of 1986, as added by this Act, is  
14 amended—

15 (1) by striking “through 2015” in clause (ii)(I),  
16 and

17 (2) by striking “, and ending on December 31,  
18 2015” in clause (iv)(I).

19 (b) EFFECTIVE DATE.—The amendments made by  
20 this section shall apply to disasters occurring after Decem-  
21 ber 31, 2015.

22 SEC. 319. EXCLUSION OF EMPLOYER PROVIDED HOUSING  
23 FOR INDIVIDUAL AFFECTED BY DISASTER.

24 (a) IN GENERAL.—Part III of subchapter B of chap-  
25 ter 1 of the Internal Revenue Code of 1986 is amended  
26 by inserting before section 140 the following new section:

1 “SEC. 139G. EMPLOYER-PROVIDED HOUSING FOR INDI-  
2 VIDUAL AFFECTED BY DISASTER.

3 “(a) IN GENERAL.—Gross income of a qualified em-  
4 ployee shall not include the value of any lodging furnished  
5 in-kind to such employee (and such employee’s spouse or  
6 any of such employee’s dependents) by or on behalf of a  
7 qualified employer for any month during the taxable year.

8 “(b) LIMITATION.—The amount which may be ex-  
9 cluded under this section for any month for which lodging  
10 is furnished during the taxable year shall not exceed \$600.

11 “(c) DEFINITIONS AND SPECIAL RULES.—For pur-  
12 poses of this section—

13 “(1) QUALIFIED EMPLOYEE.—The term ‘quali-  
14 fied employee’ means, with respect to any month, an  
15 individual—

16 “(A) who had a principal residence (as de-  
17 fined in section 121) in a disaster area, and

18 “(B) who performs substantially all em-  
19 ployment services—

20 “(i) in such area, and

21 “(ii) for the qualified employer which  
22 furnishes lodging to such individual.

23 “(2) QUALIFIED EMPLOYER.—For purposes of  
24 this section, the term ‘qualified employer’ means any  
25 employer with a trade or business located in the dis-  
26 aster area.

1           “(3) **DISASTER AREA; FEDERALLY DECLARED**  
2           **DISASTER.**—The terms ‘disaster area’ and ‘Federally  
3           declared disaster area’ shall have the respective  
4           meanings given such terms in section 165(i).

5           “(4) **CERTAIN RULES TO APPLY.**—For purposes  
6           of this section, rules similar to the rules of sections  
7           51(i)(1) and 52 shall apply.

8           “(5) **APPLICATION OF SECTION.**—This section  
9           shall apply to lodging furnished to an individual dur-  
10          ing the 6-month period beginning on the date the  
11          Federally declared disaster first occurred with re-  
12          spect to such disaster area.”.

13          (b) **CLERICAL AMENDMENT.**—The table of sections  
14          for part III of subchapter B of chapter 1 of such Code  
15          is amended by inserting before section 140 the following  
16          new item:

“Sec. 139G. Employer-provided housing for individual affected by disaster.”.

17          (c) **EFFECTIVE DATE.**—The amendments made by  
18          this section shall apply to taxable years beginning after  
19          December 31, 2016.

20          **SEC. 320. INCREASED EXPENSING AND BONUS DEPRECIA-**  
21                                **TION FOR QUALIFIED DISASTER ASSISTANCE**  
22                                **PROPERTY.**

23          (a) **IN GENERAL.**—Subclause (I) of section  
24          168(n)(2)(A)(ii) of the Internal Revenue Code of 1986,  
25          as amended by this Act, is amended by striking “or during



1 the period beginning after December 31, 2011, and before  
2 January 1, 2016” and inserting “or after December 31,  
3 2011”.

4 (b) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to property placed in service after  
6 December 31, 2016, with respect to disasters declared  
7 after such date.

8 **SEC. 321. INCREASE IN STANDARD MILEAGE RATE FOR**  
9 **CHARITABLE USE OF VEHICLE.**

10 (a) IN GENERAL.—Section 170(i) of the Internal  
11 Revenue Code of 1986 is amended by adding at the end  
12 the following: “For use of a vehicle described in subsection  
13 (f)(12)(E)(i) for provision of relief related to a Federally  
14 declared disaster during the 1-year period beginning on  
15 the date the Federally declared disaster first occurred, the  
16 standard mileage rate shall be 70 percent of the standard  
17 mileage rate in effect under section 162(a) at the time  
18 of such use. Any increase under the preceding sentence  
19 shall be rounded to the next highest cent.”.

20 **SEC. 322. WORK OPPORTUNITY TAX CREDIT FOR EMPLOY-**  
21 **EES IN DISASTER AREA.**

22 (a) IN GENERAL.—Section 51(d)(1) of the Internal  
23 Revenue Code of 1986 is amended by striking “or” at the  
24 end of subparagraph (I), by striking the period at the end

1 of subparagraph (J) and inserting “, or”, and by adding  
2 at the end the following new subparagraph:

3 “(K) a disaster area employee.”.

4 (b) DISASTER AREA EMPLOYEE.—Section 51(d) of  
5 such Code is amended by adding at the end the following  
6 new paragraph:

7 “(16) DISASTER AREA EMPLOYEE.—

8 “(A) IN GENERAL.—The term ‘disaster  
9 area employee’ means any individual who—

10 “(i) as of the date the Federally de-  
11 clared disaster first occurred had a prin-  
12 cipal place of abode in a disaster area and  
13 is hired during the 4-year period beginning  
14 on such date for a position the principal  
15 place of employment of which is located  
16 such disaster area, or

17 “(ii) as of such date had a principal  
18 place of abode in the disaster area, which  
19 is displaced from such abode by reason of  
20 such disaster, and who is hired during the  
21 120-day period beginning on such date.

22 “(B) SPECIAL RULES FOR DETERMINING  
23 CREDIT.—For purposes of determining the  
24 credit under this section with respect to a dis-  
25 aster area employee—

1 “(i) subsection (c)(4) shall not apply,  
2 and

3 “(ii) subsection (i)(2) shall not apply  
4 with respect to the first hire of such em-  
5 ployee as a disaster area employee, unless  
6 such employee was an employee of the em-  
7 ployer on the date the Federally declared  
8 disaster first occurred.

9 “(C) DISASTER AREA; FEDERALLY DE-  
10 CLARED DISASTER.—The terms ‘disaster area’  
11 and ‘Federally declared disaster area’ shall have  
12 the respective meanings given such terms in  
13 section 165(i).”.

14 **SEC. 323. EXPENSING FOR ENVIRONMENTAL REMEDIATION**  
15 **COSTS IN DISASTER AREAS.**

16 (a) **IN GENERAL.**—Section 198 of the Internal Rev-  
17 enue Code of 1986 is amended by adding at the end the  
18 following new subsection:

19 “(i) **SPECIAL RULES FOR REMEDIATION COSTS IN**  
20 **DISASTER AREAS.**—With respect to any qualified environ-  
21 mental remediation expenditure paid or incurred on or  
22 after the date of the enactment of this subsection in con-  
23 nection with a qualified contaminated site located in a dis-  
24 aster area—

1           “(1) in the case of any such expenditures paid  
2           or incurred during the 120-day period beginning on  
3           the date the Federally declared disaster first oc-  
4           curred with respect to such disaster area, subsection  
5           (h) shall not apply, and

6           “(2) this section shall be applied, except as pro-  
7           vided in subsection (d)(2), by treating petroleum  
8           products (as defined in section 4612(a)(3)) as a haz-  
9           ardous substance.”.

10          (b) EFFECTIVE DATE.—The amendment made by  
11          this section shall apply to disasters occurring after Decem-  
12          ber 31, 2015.

13          SEC. 324. TAXPAYER FILING ASSISTANCE.

14          (a) IN GENERAL.—Section 7508A of the Internal  
15          Revenue Code of 1986 is amended by adding at the end  
16          the following new subsection:

17          “(d) STATE-DECLARED DISASTERS OR EMER-  
18          GENCIES.—

19                 “(1) IN GENERAL.—In the case of a taxpayer  
20                 determined by the Governor of a State (or in the  
21                 case of the District of Columbia, the Mayor) to be  
22                 affected by a state of emergency or disaster declared  
23                 by such Governor (or Mayor), the Secretary may,  
24                 pursuant to a request by such Governor (or Mayor)  
25                 made under this subsection, specify a period de-

1 scribed in subsection (a) with respect to such tax-  
 2 payer.

3 “(2) STATE.—For purposes of this subsection,  
 4 the term ‘State’ includes the District of Columbia,  
 5 the Commonwealth of Puerto Rico, the Virgin Is-  
 6 lands, Guam, American Samoa, and the Common-  
 7 wealth of the Northern Mariana Islands.”.

8 (b) EFFECTIVE DATE.—The amendment made by  
 9 this section shall apply to declarations made after Decem-  
 10 ber 31, 2015.

11 **TITLE IV—RELIEF RELATING TO**  
 12 **PUERTO RICO AND UNITED**  
 13 **STATES VIRGIN ISLANDS**

14 **SEC. 401. APPLICATION OF DISASTER-RELATED TAX RE-**  
 15 **LIEF TO POSSESSIONS OF UNITED STATES.**

16 (a) **PAYMENTS TO UNITED STATES VIRGIN ISLANDS**  
 17 **AND PUERTO RICO.—**

18 (1) **PROVISIONS OF THIS ACT.—**

19 (A) **UNITED STATES VIRGIN ISLANDS.—**

20 The Secretary of the Treasury shall periodically  
 21 (but not less frequently than annually) pay to  
 22 the United States Virgin Islands amounts equal  
 23 to the sum of loss in revenues to the United  
 24 States Virgin Islands by reason of the applica-

1           tion of the provisions of this Act and amend-  
2           ments made by this Act.

3           Such amounts shall be determined by the Secretary  
4           of the Treasury based on information provided by  
5           the government of the United States Virgin Islands.

6                   (B) PUERTO RICO.—The Secretary of the  
7           Treasury shall pay to Puerto Rico amounts es-  
8           timated by the Secretary of the Treasury as  
9           being equal to the aggregate benefits that would  
10          have been provided to residents of Puerto Rico  
11          by reason of the provisions of this Act if a mir-  
12          ror code tax system had been in effect in Puer-  
13          to Rico. The preceding sentence shall not apply  
14          unless the government of Puerto Rico has a  
15          plan, which has been approved by the Secretary  
16          of the Treasury, under which Puerto Rico will  
17          promptly distribute such payments to its resi-  
18          dents.

19                  (2) EARNED INCOME CREDIT.—Section 32 of  
20          the Internal Revenue Code of 1986, as amended by  
21          this Act, is amended by adding at the end the fol-  
22          lowing:

23          “(O) TREATMENT OF POSSESSIONS.—

24                  “(1) PAYMENTS TO POSSESSIONS.—

1           “(A) VIRGIN ISLANDS.—The Secretary of  
2 the Treasury shall periodically (but not less fre-  
3 quently than annually) pay to the Virgin Is-  
4 lands amounts equal to the loss to that posses-  
5 sion by reason of the application of this section  
6 (determined without regard to paragraph (2))  
7 with respect to taxable years beginning after  
8 December 31, 2016. Such amounts shall be de-  
9 termined by the Secretary of the Treasury  
10 based on information provided by the govern-  
11 ment of such possession.

12           “(B) PUERTO RICO.—The Secretary of the  
13 Treasury shall periodically (but no less fre-  
14 quently than annually) pay to Puerto Rico  
15 amounts estimated by the Secretary of the  
16 Treasury as being equal to the aggregate bene-  
17 fits that would have been provided to residents  
18 of such possession by reason of the application  
19 of this section for taxable years beginning after  
20 December 31, 2016, if a mirror code tax system  
21 had been in effect in such possession. The pre-  
22 ceding sentence shall not apply unless the gov-  
23 ernment of Puerto Rico has a plan, which has  
24 been approved by the Secretary of the Treas-  
25 ury, under which such possession will promptly

1 distribute such payments to the residents of  
2 such possession.

3 “(2) COORDINATION WITH CREDIT ALLOWED  
4 AGAINST UNITED STATES INCOME TAXES.—No cred-  
5 it shall be allowed under this section for any taxable  
6 year to any person—

7 “(A) to whom a credit is allowed against  
8 taxes imposed by the Virgin Islands or Puerto  
9 Rico by reason of this section (determined with-  
10 out regard to this paragraph) for such taxable  
11 year, or

12 “(B) who is eligible for a payment under  
13 a plan described in paragraph (1)(B) with re-  
14 spect to such taxable year.

15 “(3) TREATMENT OF PAYMENTS.—For pur-  
16 poses of section 1324(b)(2) of title 31, United  
17 States Code, or any similar rule of law, any payment  
18 made under this subsection shall be treated in the  
19 same manner as a refund due from the credit al-  
20 lowed under this section.”.

21 (b) CHILD TAX CREDIT.—Section 24 of such Code  
22 is amended by adding at the end the following:

23 “(h) PAYMENTS TO VIRGIN ISLANDS AND PUERTO  
24 RICO FOR LOST REVENUE.—The Secretary shall make  
25 annual payments to the Virgin Islands and to Puerto Rico



1 in amounts equal to the aggregate loss to the Virgin Is-  
2 lands or Puerto Rico, as the case may be, by reason of  
3 the application of this section with respect to taxable years  
4 beginning after 2016. Such amounts shall be determined  
5 by the Secretary based on information provided by the  
6 governments of the Virgin Islands and Puerto Rico. For  
7 purposes of section 1324(b)(2) of title 31, United States  
8 Code, the payments under this subsection shall be treated  
9 in the same manner as a refund due from the credit al-  
10 lowed under this section.”.

11 (c) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply with respect to taxable years begin-  
13 ning after December 31, 2016.

14 (d) DEFINITION AND SPECIAL RULES.—

15 (1) MIRROR CODE TAX SYSTEM.—For purposes  
16 of this subsection, the term “mirror code tax sys-  
17 tem” means, with respect to any possession of the  
18 United States, the income tax system of such posses-  
19 sion if the income tax liability of the residents of  
20 such possession under such system is determined by  
21 reference to the income tax laws of the United  
22 States as if such possession were the United States.

23 (2) TREATMENT OF PAYMENTS.—For purposes  
24 of section 1324 of title 31, United States Code, the  
25 payments under this subsection shall be treated in

1 the same manner as a refund due from a credit pro-  
2 vision referred to in subsection (b)(2) of such sec-  
3 tion.

4 (3) COORDINATION WITH UNITED STATES IN-  
5 COME TAXES.—In the case of any person with re-  
6 spect to whom a tax benefit is taken into account  
7 with respect to the taxes imposed by any possession  
8 of the United States by reason of this Act, the Inter-  
9 nal Revenue Code of 1986 shall be applied with re-  
10 spect to such person without regard to the provisions  
11 of this Act which provide such benefit.

12 **SEC. 402. APPLICATION TO PUERTO RICO AND VIRGIN IS-**  
13 **LANDS OF DEDUCTION FOR INCOME ATTRIB-**  
14 **UTABLE TO DOMESTIC PRODUCTION ACTIVI-**  
15 **TIES.**

16 (a) EXTENSION OF TREATMENT FOR PUERTO  
17 RICO.—Section 199(d)(8) of the Internal Revenue Code  
18 of 1986 is amended by striking subparagraph (C).

19 (b) INCLUSION OF VIRGIN ISLANDS.—

20 (1) IN GENERAL.—Paragraph (8) of section  
21 199(d) of the Internal Revenue Code of 1986, as  
22 amended by this section, is further amended—

23 (A) in subparagraph (A)—

1 (i) by striking “Puerto Rico, if” and  
2 inserting “Puerto Rico or the Virgin Is-  
3 lands, if”, and

4 (ii) by striking “Puerto Rico.” and in-  
5 sserting “Puerto Rico and the Virgin Is-  
6 lands.”, and

7 (B) in subparagraph (B), by striking  
8 “Puerto Rico.” and inserting “Puerto Rico or  
9 the Virgin Islands.”.

10 (2) CONFORMING AMENDMENT.—The heading  
11 for paragraph (8) of section 199(d) is amended by  
12 inserting “AND VIRGIN ISLANDS” after “PUERTO  
13 RICO”.

14 (c) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to taxable years beginning after  
16 December 31, 2016.

17 **SEC. 403. FULL RUM COVER OVER.**

18 (a) IN GENERAL.—Section 7652(f) of the Internal  
19 Revenue Code of 1986 is amended by striking “exceed the  
20 lesser of” and all that follows through the period at the  
21 end and inserting “exceed the tax imposed under section  
22 5001(a)(1), on each proof gallon.”.

23 (b) EFFECTIVE DATE.—The amendments made by  
24 this section apply with respect to distilled spirits brought  
25 into the United States after December 31, 2016.

1 SEC. 404. PUERTO RICO RESIDENTS ELIGIBLE FOR EARNED  
2 INCOME TAX CREDIT.

3 (a) IN GENERAL.—Section 32 of the Internal Rev-  
4 enue Code of 1986 (relating to earned income) is amended  
5 by adding at the end the following new subsection:

6 “(n) RESIDENTS OF PUERTO RICO.—

7 “(1) IN GENERAL.—In the case of residents of  
8 Puerto Rico—

9 “(A) the United States shall be treated as  
10 including Puerto Rico for purposes of sub-  
11 sections (c)(1)(A)(ii)(I) and (c)(3)(C),

12 “(B) subsection (c)(1)(D) shall not apply  
13 to nonresident alien individuals who are resi-  
14 dents of Puerto Rico,

15 “(C) adjusted gross income and gross in-  
16 come shall be computed without regard to sec-  
17 tion 933 for purposes of subsections (a)(2)(B)  
18 and (c)(2)(A)(i),

19 “(D) subsection (c)(1)(A)(ii)(II) shall be  
20 applied by substituting ‘age 21’ for ‘age 25’,  
21 and

22 “(E) notwithstanding subsection (b)—

23 “(i) the credit percentage is 40,

24 “(ii) the phaseout percentage is 21.06,

25 “(iii) the earned income amount is  
26 \$8,890, and

1 “(iv) the phaseout amount is \$11,610  
2 (increased by \$3,000 in the case of a joint  
3 return).

4 “(2) INFLATION ADJUSTMENT.—Subsection (j)  
5 shall apply to the dollar amounts in subparagraph  
6 (D), determined by treating the \$8,890 and \$11,610  
7 amounts as though such amounts were contained in  
8 subsection (b)(2)(A) and by treating the \$3,000  
9 amount as though such amount were contained in  
10 subsection (b)(2)(B)(iii).”.

11 (b) CHILD TAX CREDIT NOT REDUCED.—Subclause  
12 (II) of section 24(d)(1)(B)(ii) of such Code (relating to  
13 child tax credit) is amended by inserting before the period  
14 “(determined without regard to section 32(n) in the case  
15 of residents of Puerto Rico)”.

16 (c) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to taxable years beginning after  
18 December 31, 2015.

19 **SEC. 405. EQUITABLE TREATMENT FOR RESIDENTS OF**  
20 **PUERTO RICO WITH RESPECT TO THE RE-**  
21 **FUNDABLE PORTION OF THE CHILD TAX**  
22 **CREDIT.**

23 (a) IN GENERAL.—Section 24(d)(1) of the Internal  
24 Revenue Code of 1986 is amended by inserting “or section  
25 933” after “section 112”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a) shall apply to taxable years beginning after  
3 December 31, 2015.

4 SEC. 406. TECHNICAL ASSISTANCE AND ADMINISTRATIVE  
5 RELIEF.

6 (a) TECHNICAL ASSISTANCE.—The Secretary of the  
7 Treasury shall provide to the governments of Puerto Rico  
8 and the Virgin Islands such technical assistance and ad-  
9 ministrative support as may be necessary to carry out the  
10 provisions of this Act.

11 (b) ADMINISTRATIVE RELIEF.—The Secretary may  
12 provide such relief as may be necessary or appropriate,  
13 due to federally declared disasters (as defined in section  
14 165(i)(5)), for filing returns, statements, or such other in-  
15 formation as the Secretary designates.

16 **TITLE V—MEDICARE RELIEF**

17 SEC. 501. MEDICARE ENROLLMENT FILING DEADLINE RE-  
18 LIEF.

19 (a) PART B.—Section 1837 of the Social Security Act  
20 (42 U.S.C. 1395p) is amended by adding at the end the  
21 following new subsection:

22 “(m)(1) Subject to paragraph (2), in the case of an  
23 individual who resides in an emergency area and has an  
24 initial, special, or general enrollment period prescribed  
25 under this section, any day of which occurs during an

1 emergency period with respect to such area, the Secretary  
2 may extend such enrollment period with respect to such  
3 individual.

4 “(2)(A) Subject to subparagraph (B), in no case may  
5 an extension described in paragraph (1) extend past the  
6 earlier of the following:

7 “(i) the termination of the applicable emergency  
8 period (as defined in paragraph (3)(B)); and

9 “(ii) the termination of a period of 120 days be-  
10 ginning on the date that such enrollment period  
11 would have otherwise ended.

12 “(B) The Secretary may, by notice, extend a termi-  
13 nation described in clause (i) or (ii) of subparagraph (A),  
14 as applicable, for a period or periods (not to exceed 60  
15 days each).

16 “(3) In this subsection:

17 “(A) The term ‘emergency area’ means a geo-  
18 graphical area in which there exists an emergency or  
19 disaster declared by the President pursuant to the  
20 Robert T. Stafford Disaster Relief and Emergency  
21 Assistance Act.

22 “(B) The term ‘emergency period’ means the  
23 period during which such emergency or disaster ex-  
24 ists.”.

1 (b) PART D.—Section 1860D–13(b) of the Social Se-  
2 curity Act (42 U.S.C. 1395w–113(b)) is amended by add-  
3 ing at the end the following new paragraph:

4 “(9) WAIVER IN EXCEPTIONAL CIR-  
5 CUMSTANCES.—In the case of an individual who re-  
6 sides in a geographical area in which there exists an  
7 emergency or disaster declared by the President pur-  
8 suant to the Robert T. Stafford Disaster Relief and  
9 Emergency Assistance Act and who enrolls in a pre-  
10 scription drug plan under this part during a special  
11 enrollment period established with respect to such  
12 individual by reason of such emergency or disaster  
13 pursuant to section 1860D–1(b)(3)(C), the Sec-  
14 retary may waive any applicable late enrollment pen-  
15 alty under this subsection with respect to such indi-  
16 vidual.”.

Æ