

116TH CONGRESS
1ST SESSION

S.

To amend the Internal Revenue Code of 1986 to extend certain expiring provisions, to provide disaster tax relief, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. GRASSLEY (for himself and Mr. WYDEN) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to extend certain expiring provisions, to provide disaster tax relief, 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,

3 SECTION 1. SHORT TITLE, ETC.

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Tax Extender and Disaster Relief Act of 2019”.

6 (b) AMENDMENT OF 1986 CODE.—Except as other-
7 wise expressly provided, whenever in this Act an amend-
8 ment or repeal is expressed in terms of an amendment
9 to, or repeal of, a section or other provision, the reference

1 shall be considered to be made to a section or other provi-
 2 sion of the Internal Revenue Code of 1986.

3 (c) TABLE OF CONTENTS.—The table of contents of
 4 this Act is as follows:

Sec. 1. Short title, etc.

TITLE I—EXTENSION OF EXPIRING PROVISIONS

Subtitle A—Provisions Expiring in 2018

- Sec. 101. Nonbusiness energy property.
- Sec. 102. Qualified fuel cell motor vehicles.
- Sec. 103. Alternative fuel refueling property credit.
- Sec. 104. 2-wheeled plug-in electric vehicle credit.
- Sec. 105. Second generation biofuel producer credit.
- Sec. 106. Biodiesel and renewable diesel incentives.
- Sec. 107. Credit for electricity produced from certain renewable resources.
- Sec. 108. Production credit for Indian coal facilities.
- Sec. 109. Railroad track maintenance credit.
- Sec. 110. Energy efficient homes credit.
- Sec. 111. Classification of certain race horses as 3-year property.
- Sec. 112. Special allowance for second generation biofuel plant property.
- Sec. 113. Energy efficient commercial buildings deduction.
- Sec. 114. Election to expense advanced mine safety equipment.
- Sec. 115. Extension of special rule for sales or dispositions to implement FERC or State electric restructuring policy for qualified electric utilities.
- Sec. 116. Extension and clarification of excise tax credits relating to alternative fuels.
- Sec. 117. 7-year recovery period for motorsports entertainment complexes.
- Sec. 118. Accelerated depreciation for business property on Indian reservation.
- Sec. 119. Expensing rules for certain productions.
- Sec. 120. Indian employment credit.
- Sec. 121. Mine rescue team training credit.
- Sec. 122. Exclusion from gross income of discharge of qualified principal residence indebtedness.
- Sec. 123. Treatment of mortgage insurance premiums as qualified residence interest.
- Sec. 124. Deduction of qualified tuition and related expenses.
- Sec. 125. Extension of empowerment zone tax incentives.
- Sec. 126. American Samoa economic development credit.

Subtitle B—Provisions Expiring in 2019

- Sec. 151. Temporary reduction in medical expense deduction floor.
- Sec. 152. Extension of oil spill liability trust fund rate.
- Sec. 153. Black lung liability trust fund excise tax.

TITLE II—DISASTER TAX RELIEF

- Sec. 201. Definitions.
- Sec. 202. Special disaster-related rules for use of retirement funds.

Sec. 203. Employee retention credit for employers affected by qualified disasters.

Sec. 204. Other disaster-related tax relief provisions.

Sec. 205. Treatment of certain possessions.

1 **TITLE I—EXTENSION OF**
2 **EXPIRING PROVISIONS**
3 **Subtitle A—Provisions Expiring in**
4 **2018**

5 **SEC. 101. NONBUSINESS ENERGY PROPERTY.**

6 (a) **IN GENERAL.**—Section 25C(g)(2) is amended by
7 striking “December 31, 2017” and inserting “December
8 31, 2019”.

9 (b) **EFFECTIVE DATE.**—The amendment made by
10 this section shall apply to property placed in service after
11 December 31, 2017.

12 **SEC. 102. QUALIFIED FUEL CELL MOTOR VEHICLES.**

13 (a) **IN GENERAL.**—Section 30B(k)(1) is amended by
14 striking “December 31, 2017” and inserting “December
15 31, 2019”.

16 (b) **EFFECTIVE DATE.**—The amendment made by
17 this section shall apply to property purchased after De-
18 cember 31, 2017.

19 **SEC. 103. ALTERNATIVE FUEL REFUELING PROPERTY**
20 **CREDIT.**

21 (a) **IN GENERAL.**—Section 30C(g) is amended by
22 striking “December 31, 2017” and inserting “December
23 31, 2019”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to property placed in service after
3 December 31, 2017.

4 SEC. 104. 2-WHEELED PLUG-IN ELECTRIC VEHICLE CREDIT.

5 (a) IN GENERAL.—Section 30D(g)(3)(E)(ii) is
6 amended by striking “January 1, 2018” and inserting
7 “January 1, 2020”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall apply to vehicles acquired after Decem-
10 ber 31, 2017.

11 SEC. 105. SECOND GENERATION BIOFUEL PRODUCER
12 CREDIT.

13 (a) IN GENERAL.—Section 40(b)(6)(J)(i) is amended
14 by striking “January 1, 2018” and inserting “January 1,
15 2020”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 this section shall apply to qualified second generation
18 biofuel production after December 31, 2017.

19 SEC. 106. BIODIESEL AND RENEWABLE DIESEL INCEN-
20 TIVES.

21 (a) INCOME TAX CREDIT.—

22 (1) IN GENERAL.—Subsection (g) of section
23 40A is amended by striking “December 31, 2017”
24 and inserting “December 31, 2019”.

1 (2) EFFECTIVE DATE.—The amendment made
2 by this subsection shall apply to fuel sold or used
3 after December 31, 2017.

4 (b) EXCISE TAX INCENTIVES.—

5 (1) IN GENERAL.—Section 6426(c)(6) is
6 amended by striking “December 31, 2017” and in-
7 serting “December 31, 2019”.

8 (2) PAYMENTS.—Section 6427(e)(6)(B) is
9 amended by striking “December 31, 2017” and in-
10 serting “December 31, 2019”.

11 (3) EFFECTIVE DATE.—The amendments made
12 by this subsection shall apply to fuel sold or used
13 after December 31, 2017.

14 (4) SPECIAL RULE FOR 2018.—Notwithstanding
15 any other provision of law, in the case of any bio-
16 diesel mixture credit properly determined under sec-
17 tion 6426(c) of the Internal Revenue Code of 1986
18 for the period beginning on January 1, 2018, and
19 ending on December 31, 2018, such credit shall be
20 allowed, and any refund or payment attributable to
21 such credit (including any payment under section
22 6427(e) of such Code) shall be made, only in such
23 manner as the Secretary of the Treasury (or the
24 Secretary’s delegate) shall provide. Such Secretary
25 shall issue guidance within 30 days after the date of

1 the enactment of this Act providing for a one-time
2 submission of claims covering periods described in
3 the preceding sentence. Such guidance shall provide
4 for a 180-day period for the submission of such
5 claims (in such manner as prescribed by such Sec-
6 retary) to begin not later than 30 days after such
7 guidance is issued. Such claims shall be paid by such
8 Secretary not later than 60 days after receipt. If
9 such Secretary has not paid pursuant to a claim
10 filed under this subsection within 60 days after the
11 date of the filing of such claim, the claim shall be
12 paid with interest from such date determined by
13 using the overpayment rate and method under sec-
14 tion 6621 of such Code.

15 **SEC. 107. CREDIT FOR ELECTRICITY PRODUCED FROM**
16 **CERTAIN RENEWABLE RESOURCES.**

17 (a) **IN GENERAL.**—The following provisions of sec-
18 tion 45(d) are each amended by striking “January 1,
19 2018” each place it appears and inserting “January 1,
20 2020”:

21 (1) Paragraph (2)(A).

22 (2) Paragraph (3)(A).

23 (3) Paragraph (4)(B).

24 (4) Paragraph (6).

25 (5) Paragraph (7).

1 (6) Paragraph (9).

2 (7) Paragraph (11)(B).

3 (b) EXTENSION OF ELECTION TO TREAT QUALIFIED
4 FACILITIES AS ENERGY PROPERTY.—Section
5 48(a)(5)(C)(ii) is amended by striking “before January 1,
6 2018 (January 1, 2020, in the case of any facility which
7 is described in paragraph (1) of section 45(d)), and” and
8 inserting “before—

9 “(I) January 1, 2020, in the case
10 of any facility which is described in
11 paragraph (1) of section 45(d), and

12 “(II) January 1, 2020, in the
13 case of any other facility, and”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall take effect on January 1, 2018.

16 SEC. 108. PRODUCTION CREDIT FOR INDIAN COAL FACILI-
17 TIES.

18 (a) IN GENERAL.—Section 45(e)(10)(A) is amended
19 by striking “12-year period” each place it appears and in-
20 serting “14-year period”.

21 (b) EFFECTIVE DATE.—The amendment made by
22 this section shall apply to coal produced after December
23 31, 2017.

1 **SEC. 109. RAILROAD TRACK MAINTENANCE CREDIT.**

2 (a) **IN GENERAL.**—Section 45G((f) is amended by
3 striking “January 1, 2018” and inserting “January 1,
4 2020”.

5 (b) **EFFECTIVE DATE.**—

6 (1) **IN GENERAL.**—The amendment made by
7 this section shall apply to expenditures paid or in-
8 curred during taxable years beginning after Decem-
9 ber 31, 2017.

10 (2) **SAFE HARBOR ASSIGNMENTS.**—Assign-
11 ments, including related expenditures paid or in-
12 curred, under paragraph (2) of section 45G(b) of the
13 Internal Revenue Code of 1986 for any taxable year
14 beginning on or after January 1, 2018, and before
15 January 1, 2019, shall be treated as effective as of
16 the close of such taxable year if made pursuant to
17 a written agreement entered into no later than 90
18 days following the date of the enactment of this Act.

19 **SEC. 110. ENERGY EFFICIENT HOMES CREDIT.**

20 (a) **IN GENERAL.**—Section 45L(g) is amended by
21 striking “December 31, 2017” and inserting “December
22 31, 2019”.

23 (b) **EFFECTIVE DATE.**—The amendment made by
24 this section shall apply to homes acquired after December
25 31, 2017.

1 SEC. 111. CLASSIFICATION OF CERTAIN RACE HORSES AS 3-
2 YEAR PROPERTY.

3 (a) IN GENERAL.—Section 168(e)(3)(A)(i) is amend-
4 ed—

5 (1) by striking “January 1, 2018” in subclause
6 (I) and inserting “January 1, 2020”, and

7 (2) by striking “December 31, 2017” in sub-
8 clause (II) and inserting “December 31, 2019”.

9 (b) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to property placed in service after
11 December 31, 2017.

12 SEC. 112. SPECIAL ALLOWANCE FOR SECOND GENERATION
13 BIOFUEL PLANT PROPERTY.

14 (a) IN GENERAL.—Section 168(l)(2)(D) is amended
15 by striking “January 1, 2018” and inserting “January 1,
16 2020”.

17 (b) EFFECTIVE DATE.—The amendment made by
18 this section shall apply to property placed in service after
19 December 31, 2017.

20 SEC. 113. ENERGY EFFICIENT COMMERCIAL BUILDINGS DE-
21 DUCTION.

22 (a) IN GENERAL.—Section 179D(h) is amended by
23 striking “December 31, 2017” and inserting “December
24 31, 2019”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to property placed in service after
3 December 31, 2017.

4 SEC. 114. ELECTION TO EXPENSE ADVANCED MINE SAFETY
5 EQUIPMENT.

6 (a) IN GENERAL.—Section 179E(g) is amended by
7 striking “December 31, 2017” and inserting “December
8 31, 2019”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 this section shall apply to property placed in service after
11 December 31, 2017.

12 SEC. 115. EXTENSION OF SPECIAL RULE FOR SALES OR DIS-
13 POSITIONS TO IMPLEMENT FERC OR STATE
14 ELECTRIC RESTRUCTURING POLICY FOR
15 QUALIFIED ELECTRIC UTILITIES.

16 (a) IN GENERAL.—Section 451(k)(3) is amended by
17 striking “January 1, 2018” and inserting “January 1,
18 2020”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 this section shall apply to dispositions after December 31,
21 2017.

22 SEC. 116. EXTENSION AND CLARIFICATION OF EXCISE TAX
23 CREDITS RELATING TO ALTERNATIVE FUELS.

24 (a) EXTENSION.—

1 (1) IN GENERAL.—Sections 6426(d)(5) and
2 6426(e)(3) are each amended by striking “December
3 31, 2017” and inserting “December 31, 2019”.

4 (2) OUTLAY PAYMENTS FOR ALTERNATIVE
5 FUELS.—Section 6427(e)(6)(C) is amended by strik-
6 ing “December 31, 2017” and inserting “December
7 31, 2019”.

8 (3) EFFECTIVE DATE.—The amendments made
9 by this section shall apply to fuel sold or used after
10 December 31, 2017.

11 (b) SPECIAL RULE FOR 2018.—Notwithstanding any
12 other provision of law, in the case of any alternative fuel
13 credit properly determined under section 6426(d) of the
14 Internal Revenue Code of 1986 for the period beginning
15 on January 1, 2018, and ending on December 31, 2018,
16 such credit shall be allowed, and any refund or payment
17 attributable to such credit (including any payment under
18 section 6427(e) of such Code) shall be made, only in such
19 manner as the Secretary of the Treasury (or the Sec-
20 retary’s delegate) shall provide. Such Secretary shall issue
21 guidance within 30 days after the date of the enactment
22 of this Act providing for a one-time submission of claims
23 covering periods described in the preceding sentence. Such
24 guidance shall provide for a 180-day period for the sub-
25 mission of such claims (in such manner as prescribed by

1 such Secretary) to begin not later than 30 days after such
2 guidance is issued. Such claims shall be paid by such Sec-
3 retary not later than 60 days after receipt. If such Sec-
4 retary has not paid pursuant to a claim filed under this
5 subsection within 60 days after the date of the filing of
6 such claim, the claim shall be paid with interest from such
7 date determined by using the overpayment rate and meth-
8 od under section 6621 of such Code.

9 (c) CLARIFICATION OF RULES REGARDING ALTER-
10 NATIVE FUEL MIXTURE CREDIT.—

11 (1) IN GENERAL.—Paragraph (2) of section
12 6426(e) is amended by striking “mixture of alter-
13 native fuel” and inserting “mixture of alternative
14 fuel (other than a fuel described in subparagraph
15 (A), (C), or (F) of subsection (d)(2))”.

16 (2) EFFECTIVE DATE.—The amendment made
17 by this subsection shall apply to—

18 (A) fuel sold or used on or after the date
19 of the enactment of this Act, and

20 (B) fuel sold or used before such date of
21 enactment, but only to the extent that credits
22 and claims of credit under section 6426(e) of
23 the Internal Revenue Code of 1986 with respect
24 to such sale or use have not been paid or al-
25 lowed as of such date.

13

1 SEC. 117. 7-YEAR RECOVERY PERIOD FOR MOTORSPORTS
2 ENTERTAINMENT COMPLEXES.

3 (a) IN GENERAL.—Section 168(i)(15)(D) is amended
4 by striking “December 31, 2017” and inserting “Decem-
5 ber 31, 2019”.

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

9 SEC. 118. ACCELERATED DEPRECIATION FOR BUSINESS
10 PROPERTY ON INDIAN RESERVATION.

11 (a) IN GENERAL.—Section 168(j)(9) is amended by
12 striking “December 31, 2017” and inserting “December
13 31, 2019”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 this section shall apply to property placed in service after
16 December 31, 2017.

17 SEC. 119. EXPENSING RULES FOR CERTAIN PRODUCTIONS.

18 (a) IN GENERAL.—Section 181(g) is amended by
19 striking “December 31, 2017” and inserting “December
20 31, 2019”.

21 (b) EFFECTIVE DATE.—The amendment made by
22 this section shall apply to productions commencing after
23 December 31, 2017.

1 **SEC. 120. INDIAN EMPLOYMENT CREDIT.**

2 (a) **IN GENERAL.**—Section 45A(f) is amended by
3 striking “December 31, 2017” and inserting “December
4 31, 2019”.

5 (b) **EFFECTIVE DATE.**—The amendment made by
6 this section shall apply to taxable years beginning after
7 December 31, 2017.

8 **SEC. 121. MINE RESCUE TEAM TRAINING CREDIT.**

9 (a) **IN GENERAL.**—Section 45N(e) is amended by
10 striking “December 31, 2017” and inserting “December
11 31, 2019”.

12 (b) **EFFECTIVE DATE.**—The amendment made by
13 this section shall apply to taxable years beginning after
14 December 31, 2017.

15 **SEC. 122. EXCLUSION FROM GROSS INCOME OF DISCHARGE**
16 **OF QUALIFIED PRINCIPAL RESIDENCE IN-**
17 **DEBTEDNESS.**

18 (a) **IN GENERAL.**—Section 108(a)(1)(E) is amended
19 by striking “January 1, 2018” each place it appears and
20 inserting “January 1, 2020”.

21 (b) **EFFECTIVE DATE.**—The amendment made by
22 this section shall apply to discharges of indebtedness after
23 December 31, 2017.

15

1 SEC. 123. TREATMENT OF MORTGAGE INSURANCE PRE-
2 MIUMS AS QUALIFIED RESIDENCE INTEREST.

3 (a) IN GENERAL.—Section 163(h)(3)(E)(iv)(I) is
4 amended by striking “December 31, 2017” and inserting
5 “December 31, 2019”.

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

9 SEC. 124. DEDUCTION OF QUALIFIED TUITION AND RE-
10 LATED EXPENSES.

11 (a) IN GENERAL.—Section 222(e) is amended by
12 striking “December 31, 2017” and inserting “December
13 31, 2019”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 this section shall apply to taxable years beginning after
16 December 31, 2017.

17 SEC. 125. EXTENSION OF EMPOWERMENT ZONE TAX INCEN-
18 TIVES.

19 (a) IN GENERAL.—Section 1391(d)(1)(A)(i) is
20 amended by striking “December 31, 2017” and inserting
21 “December 31, 2019”.

22 (b) TREATMENT OF CERTAIN TERMINATION DATES
23 SPECIFIED IN NOMINATIONS.—In the case of a designa-
24 tion of an empowerment zone the nomination for which
25 included a termination date which is contemporaneous
26 with the date specified in subparagraph (A)(i) of section

1 1391(d)(1) of the Internal Revenue Code of 1986 (as in
2 effect before the enactment of this Act), subparagraph (B)
3 of such section shall not apply with respect to such des-
4 ignation if, after the date of the enactment of this section,
5 the entity which made such nomination amends the nomi-
6 nation to provide for a new termination date in such man-
7 ner as the Secretary of the Treasury (or the Secretary’s
8 designee) may provide.

9 (c) EFFECTIVE DATE.—The amendment made by
10 subsection (a) shall apply to taxable years beginning after
11 December 31, 2017.

12 SEC. 126. AMERICAN SAMOA ECONOMIC DEVELOPMENT
13 CREDIT.

14 (a) IN GENERAL.—Section 119(d) of division A of
15 the Tax Relief and Health Care Act of 2006 is amended—

16 (1) by striking “January 1, 2018” each place
17 it appears and inserting “January 1, 2020”,

18 (2) by striking “first 12 taxable years” in para-
19 graph (1) and inserting “first 14 taxable years”,

20 (3) by striking “first 6 taxable years” in para-
21 graph (2) and inserting “first 8 taxable years”, and

22 (4) by adding at the end the following flush
23 sentence:

24 “In the case of a corporation described in subsection
25 (a)(2), the Internal Revenue Code of 1986 shall be applied

1 and administered without regard to the amendments made
2 by section 401(d)(1) of the Tax Technical Corrections Act
3 of 2018.”.

4 (b) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years beginning after
6 December 31, 2017.

7 **Subtitle B—Provisions Expiring in**
8 **2019**

9 SEC. 151. TEMPORARY REDUCTION IN MEDICAL EXPENSE
10 DEDUCTION FLOOR.

11 (a) IN GENERAL.—Section 213(f) is amended to read
12 as follows:

13 “(f) SPECIAL RULE.—In the case of taxable years be-
14 ginning before January 1, 2020, subsection (a) shall be
15 applied by substituting ‘7.5 percent’ for ‘10 percent’.”.

16 (b) ALTERNATIVE MINIMUM TAX.—Section
17 56(b)(1)(B) is amended by striking “January 1, 2019”
18 and inserting “January 1, 2020”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years ending after De-
21 cember 31, 2018.

1 SEC. 152. EXTENSION OF OIL SPILL LIABILITY TRUST FUND
2 RATE.

3 (a) IN GENERAL.—Section 4611(f)(2) is amended by
4 striking “December 31, 2018” and inserting “December
5 31, 2019”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 this section shall apply on and after the first day of the
8 first calendar month beginning after the date of the enact-
9 ment of this Act.

10 SEC. 153. BLACK LUNG LIABILITY TRUST FUND EXCISE TAX.

11 (a) IN GENERAL.—Section 4121(e)(2)(A) is amended
12 by striking “December 31, 2018” and inserting “Decem-
13 ber 31, 2019”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 this section shall apply on and after the first day of the
16 first calendar month beginning after the date of the enact-
17 ment of this Act.

18 **TITLE II—DISASTER TAX RELIEF**

19 SEC. 201. DEFINITIONS.

20 For purposes of this title—

21 (1) QUALIFIED DISASTER AREA.—

22 (A) IN GENERAL.—The term “qualified
23 disaster area” means any area with respect to
24 which a major disaster was declared after Janu-
25 ary 1, 2018, and before March 1, 2019, by the
26 President under section 401 of the Robert T.

1 Stafford Disaster Relief and Emergency Assist-
2 ance Act if the incident period of the disaster
3 with respect to which such declaration is made
4 begins before January 1, 2019.

5 (B) EXCEPTION.—Such term shall not in-
6 clude the California wildfire disaster area (as
7 defined in section 20101 of subdivision 2 of di-
8 vision B of the Bipartisan Budget Act of 2018).

9 (2) QUALIFIED DISASTER ZONE.—The term
10 “qualified disaster zone” means that portion of any
11 qualified disaster area which was determined by the
12 President after January 1, 2018, and before March
13 1, 2019, to warrant individual or individual and
14 public assistance from the Federal Government
15 under the Robert T. Stafford Disaster Relief and
16 Emergency Assistance Act by reason of the qualified
17 disaster with respect to such disaster area.

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

23 (4) INCIDENT PERIOD.—The term “incident pe-
24 riod” means, with respect to any qualified disaster,
25 the period specified by the Federal Emergency Man-

1 agement Agency as the period during which such
2 disaster occurred (except that for purposes of this
3 title such period shall not be treated as beginning
4 before January 1, 2018, or ending after December
5 31, 2018).

6 **SEC. 202. SPECIAL DISASTER-RELATED RULES FOR USE OF**
7 **RETIREMENT FUNDS.**

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

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

13 **(2) AGGREGATE DOLLAR LIMITATION.—**

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

20 (i) \$100,000, over

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

24 **(B) TREATMENT OF PLAN DISTRIBUTIONS.—**If a distribution to an individual would
25

1 (without regard to subparagraph (A)) be a
2 qualified disaster distribution, a plan shall not
3 be treated as violating any requirement of the
4 Internal Revenue Code of 1986 merely because
5 the plan treats such distribution as a qualified
6 disaster distribution, unless the aggregate
7 amount of such distributions from all plans
8 maintained by the employer (and any member
9 of any controlled group which includes the em-
10 ployer) to such individual exceeds \$100,000.

11 (C) CONTROLLED GROUP.—For purposes
12 of subparagraph (B), the term “controlled
13 group” means any group treated as a single
14 employer under subsection (b), (c), (m), or (o)
15 of section 414 of the Internal Revenue Code of
16 1986.

17 (D) SPECIAL RULE FOR INDIVIDUALS AF-
18 FECTED BY MORE THAN ONE DISASTER.—The
19 limitation of subparagraph (A) shall be applied
20 separately with respect to distributions made
21 with respect to each qualified disaster.

22 (3) AMOUNT DISTRIBUTED MAY BE REPAYED.—

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

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

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

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

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

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

19 (A) QUALIFIED DISASTER DISTRIBUTION.—Except as provided in paragraph (2),
20 the term “qualified disaster distribution” means
21 any distribution from an eligible retirement
22 plan made—
23

24 (i) on or after the first day of the in-
25 cident period of a qualified disaster and

1 before the date which is 180 days after the
2 date of the enactment of this Act, and

3 (ii) to an individual whose principal
4 place of abode at any time during the inci-
5 dent period of such qualified disaster is lo-
6 cated in the qualified disaster area with re-
7 spect to such qualified disaster and who
8 has sustained an economic loss by reason
9 of such qualified disaster.

10 (B) ELIGIBLE RETIREMENT PLAN.—The
11 term “eligible retirement plan” shall have the
12 meaning given such term by section
13 402(c)(8)(B) of the Internal Revenue Code of
14 1986.

15 (5) INCOME INCLUSION SPREAD OVER 3-YEAR
16 PERIOD.—

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

24 (B) SPECIAL RULE.—For purposes of sub-
25 paragraph (A), rules similar to the rules of sub-

1 paragraph (E) of section 408A(d)(3) of the In-
2 ternal Revenue Code of 1986 shall apply.

3 (6) SPECIAL RULES.—

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

11 (B) QUALIFIED DISASTER DISTRIBUTIONS
12 TREATED AS MEETING PLAN DISTRIBUTION RE-
13 QUIREMENTS.—For purposes the Internal Rev-
14 enue Code of 1986, a qualified disaster dis-
15 tribution shall be treated as meeting the re-
16 quirements of sections 401(k)(2)(B)(i),
17 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A)
18 of such Code.

19 (b) RECONTRIBUTIONS OF WITHDRAWALS FOR
20 HOME PURCHASES.—

21 (1) RECONTRIBUTIONS.—

22 (A) IN GENERAL.—Any individual who re-
23 ceived a qualified distribution may, during the
24 applicable period, make 1 or more contributions
25 in an aggregate amount not to exceed the

1 amount of such qualified distribution to an eli-
2 gible retirement plan (as defined in section
3 402(c)(8)(B) of the Internal Revenue Code of
4 1986) of which such individual is a beneficiary
5 and to which a rollover contribution of such dis-
6 tribution could be made under section 402(c),
7 403(a)(4), 403(b)(8), or 408(d)(3), of such
8 Code, as the case may be.

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

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

16 (A) described in section
17 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but only
18 to the extent such distribution relates to finan-
19 cial hardship), 403(b)(11)(B), or 72(t)(2)(F),
20 of the Internal Revenue Code of 1986,

21 (B) which was to be used to purchase or
22 construct a principal residence in a qualified
23 disaster area, but which was not so used on ac-
24 count of the qualified disaster with respect to
25 such area, and

1 (C) which was received during the period
2 beginning on the date which is 180 days before
3 the first day of the incident period of such
4 qualified disaster and ending on the date which
5 is 30 days after the last day of such incident
6 period.

7 (3) APPLICABLE PERIOD.—For purposes of this
8 subsection, the term “applicable period” means, in
9 the case of a principal residence in a qualified dis-
10 aster area with respect to any qualified disaster, the
11 period beginning on the first day of the incident pe-
12 riod of such qualified disaster and ending on the
13 date which is 180 days after the date of the enact-
14 ment of this Act.

15 (c) LOANS FROM QUALIFIED PLANS.—

16 (1) INCREASE IN LIMIT ON LOANS NOT TREAT-
17 ED AS DISTRIBUTIONS.—In the case of any loan
18 from a qualified employer plan (as defined under
19 section 72(p)(4) of the Internal Revenue Code of
20 1986) to a qualified individual made during the 180-
21 day period beginning on the date of the enactment
22 of this Act—

23 (A) clause (i) of section 72(p)(2)(A) of
24 such Code shall be applied by substituting
25 “\$100,000” for “\$50,000”, and

1 (B) clause (ii) of such section shall be ap-
2 plied by substituting “the present value of the
3 nonforfeitable accrued benefit of the employee
4 under the plan” for “one-half of the present
5 value of the nonforfeitable accrued benefit of
6 the employee under the plan”.

7 (2) DELAY OF REPAYMENT.—In the case of a
8 qualified individual (with respect to any qualified
9 disaster) with an outstanding loan (on or after the
10 first day of the incident period of such qualified dis-
11 aster) from a qualified employer plan (as defined in
12 section 72(p)(4) of the Internal Revenue Code of
13 1986)—

14 (A) if the due date pursuant to subpara-
15 graph (B) or (C) of section 72(p)(2) of such
16 Code for any repayment with respect to such
17 loan occurs during the period beginning on the
18 first day of the incident period of such qualified
19 disaster and ending on the date which is 180
20 days after the last day of such incident period,
21 such due date shall be delayed for 1 year (or,
22 if later, until the date which is 180 days after
23 the date of the enactment of this Act),

24 (B) any subsequent repayments with re-
25 spect to any such loan shall be appropriately

1 adjusted to reflect the delay in the due date
2 under subparagraph (A) and any interest accru-
3 ing during such delay, and

4 (C) in determining the 5-year period and
5 the term of a loan under subparagraph (B) or
6 (C) of section 72(p)(2) of such Code, the period
7 described in subparagraph (A) of this para-
8 graph shall be disregarded.

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

12 (A) whose principal place of abode at any
13 time during the incident period of any qualified
14 disaster is located in the qualified disaster area
15 with respect to such qualified disaster, and

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

18 (d) PROVISIONS RELATING TO PLAN AMEND-
19 MENTS.—

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

1 effect (or in the case of a plan or con-
2 tract amendment not required by this
3 section or such regulation, the effec-
4 tive date specified by the plan), and
5 (II) ending on the date described
6 in subparagraph (A)(ii) (or, if earlier,
7 the date the plan or contract amend-
8 ment is adopted),
9 the plan or contract is operated as if such plan
10 or contract amendment were in effect, and
11 (ii) such plan or contract amendment
12 applies retroactively for such period.

13 **SEC. 203. EMPLOYEE RETENTION CREDIT FOR EMPLOYERS**
14 **AFFECTED BY QUALIFIED DISASTERS.**

15 (a) **IN GENERAL.**—For purposes of section 38 of the
16 Internal Revenue Code of 1986, in the case of an eligible
17 employer, the 2018 qualified disaster employee retention
18 credit shall be treated as a credit listed at the end of sub-
19 section (b) of such section. For purposes of this section,
20 the 2018 qualified disaster employee retention credit for
21 any taxable year is an amount equal to 40 percent of the
22 qualified wages with respect to each eligible employee of
23 such employer for such taxable year. The amount of quali-
24 fied wages with respect to any employee which may be
25 taken into account under this section by the employer for

1 any taxable year shall not exceed \$6,000 (reduced by the
2 amount of qualified wages with respect to such employee
3 which may be so taken into account for any prior taxable
4 year).

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

6 (1) ELIGIBLE EMPLOYER.—The term “eligible
7 employer” means any employer—

8 (A) which conducted an active trade or
9 business in a qualified disaster zone at any time
10 during the incident period of the qualified dis-
11 aster with respect to such qualified disaster
12 zone, and

13 (B) with respect to whom the trade or
14 business described in subparagraph (A) is inop-
15 erable at any time on or after the first day of
16 the incident period of such qualified disaster,
17 and before January 1, 2019, as a result of
18 damage sustained by reason of such qualified
19 disaster.

20 (2) ELIGIBLE EMPLOYEE.—The term “eligible
21 employee” means with respect to an eligible em-
22 ployer an employee whose principal place of employ-
23 ment with such eligible employer (determined imme-
24 diately before the qualified disaster referred to in

1 paragraph (1)) was in the qualified disaster zone re-
2 ferred to in such paragraph.

3 (3) QUALIFIED WAGES.—The term “qualified
4 wages” means wages (as defined in section 51(c)(1)
5 of the Internal Revenue Code of 1986, but without
6 regard to section 3306(b)(2)(B) of such Code) paid
7 or incurred by an eligible employer with respect to
8 an eligible employee at any time on or after the date
9 on which the trade or business described in para-
10 graph (1) first became inoperable at the principal
11 place of employment of the employee (determined
12 immediately before the qualified disaster referred to
13 in such paragraph) and before the earlier of—

14 (A) the date on which such trade or busi-
15 ness has resumed significant operations at such
16 principal place of employment, or

17 (B) the date which is 150 days after the
18 last day of the incident period of the qualified
19 disaster referred to in paragraph (1).

20 Such term shall include wages paid without regard
21 to whether the employee performs no services, per-
22 forms services at a different place of employment
23 than such principal place of employment, or per-
24 forms services at such principal place of employment
25 before significant operations have resumed.

1 (c) CERTAIN RULES TO APPLY.—For purposes of
2 this section, rules similar to the rules of sections 51(i)(1),
3 52, and 280C(a), of the Internal Revenue Code of 1986,
4 shall apply.

5 (d) EMPLOYEE NOT TAKEN INTO ACCOUNT MORE
6 THAN ONCE.—An employee shall not be treated as an eli-
7 gible employee for purposes of this section for any period
8 with respect to any employer if such employer is allowed
9 a credit under section 51 of the Internal Revenue Code
10 of 1986 with respect to such employee for such period.

11 SEC. 204. OTHER DISASTER-RELATED TAX RELIEF PROVI-
12 SIONS.

13 (a) TEMPORARY INCREASE IN LIMITATION ON
14 QUALIFIED CONTRIBUTIONS.—

15 (1) SUSPENSION OF CURRENT LIMITATION.—
16 Except as otherwise provided in paragraph (2),
17 qualified contributions shall be disregarded in apply-
18 ing subsections (b) and (d) of section 170 of the In-
19 ternal Revenue Code of 1986.

20 (2) APPLICATION OF INCREASED LIMITATION.—
21 For purposes of section 170 of the Internal Revenue
22 Code of 1986—

23 (A) INDIVIDUALS.—In the case of an indi-
24 vidual—

35

1 (i) LIMITATION.—Any qualified con-
2 tribution shall be allowed as a deduction
3 only to the extent that the aggregate of
4 such contributions does not exceed the ex-
5 cess of the taxpayer’s contribution base (as
6 defined in subparagraph (H) of section
7 170(b)(1) of such Code) over the amount
8 of all other charitable contributions allowed
9 under section 170(b)(1) of such Code.

10 (ii) CARRYOVER.—If the aggregate
11 amount of qualified contributions made in
12 the contribution year (within the meaning
13 of section 170(d)(1) of such Code) exceeds
14 the limitation of clause (i), such excess
15 shall be added to the excess described in
16 section 170(b)(1)(G)(ii).

17 (B) CORPORATIONS.—In the case of a cor-
18 poration—

19 (i) LIMITATION.—Any qualified con-
20 tribution shall be allowed as a deduction
21 only to the extent that the aggregate of
22 such contributions does not exceed the ex-
23 cess of the taxpayer’s taxable income (as
24 determined under paragraph (2) of section
25 170(b) of such Code) over the amount of

1 all other charitable contributions allowed
2 under such paragraph.

3 (ii) CARRYOVER.—If the aggregate
4 amount of qualified contributions made in
5 the contribution year (within the meaning
6 of section 170(d)(2) of such Code) exceeds
7 the limitation of clause (i), such excess
8 shall be appropriately taken into account
9 under section 170(d)(2) subject to the limi-
10 tations thereof.

11 (3) QUALIFIED CONTRIBUTIONS.—

12 (A) IN GENERAL.—For purposes of this
13 subsection, the term “qualified contribution”
14 means any charitable contribution (as defined
15 in section 170(c) of the Internal Revenue Code
16 of 1986) if—

17 (i) such contribution—

18 (I) is paid during 2018 in cash to
19 an organization described in section
20 170(b)(1)(A) of such Code, and

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

23 (ii) the taxpayer obtains from such or-
24 ganization contemporaneous written ac-
25 knowledgment (within the meaning of sec-

1 tion 170(f)(8) of such Code) that such con-
2 tribution was used (or is to be used) for
3 relief efforts described in clause (i)(II),
4 and

5 (iii) the taxpayer has elected the ap-
6 plication of this subsection with respect to
7 such contribution.

8 (B) EXCEPTION.—Such term shall not in-
9 clude a contribution by a donor if the contribu-
10 tion is—

11 (i) to an organization described in sec-
12 tion 509(a)(3) of the Internal Revenue
13 Code of 1986, or

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

18 (C) APPLICATION OF ELECTION TO PART-
19 NERSHIPS AND S CORPORATIONS.—In the case
20 of a partnership or S corporation, the election
21 under subparagraph (A)(iii) shall be made sepa-
22 rately by each partner or shareholder.

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

3

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

3 (A) the amount determined under section
4 165(h)(2)(A)(ii) of the Internal Revenue Code
5 of 1986 shall be equal to the sum of—

6 (i) such net disaster loss, and

7 (ii) so much of the excess referred to
8 in the matter preceding clause (i) of sec-
9 tion 165(h)(2)(A) of such Code (reduced
10 by the amount in clause (i) of this sub-
11 paragraph) as exceeds 10 percent of the
12 adjusted gross income of the individual,

13 (B) section 165(h)(1) of such Code shall
14 be applied by substituting “\$500” for “\$500
15 (\$100 for taxable years beginning after Decem-
16 ber 31, 2009)”,

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

20 (D) section 56(b)(1)(E) of such Code shall
21 not apply to so much of the standard deduction
22 as is attributable to the increase under sub-
23 paragraph (C) of this paragraph.

24 (2) NET DISASTER LOSS.—For purposes of this
25 subsection, the term “net disaster loss” means the

1 excess of qualified disaster-related personal casualty
2 losses over personal casualty gains (as defined in
3 section 165(h)(3)(A) of the Internal Revenue Code
4 of 1986).

5 (3) QUALIFIED DISASTER-RELATED PERSONAL
6 CASUALTY LOSSES.—For purposes of this sub-
7 section, the term “qualified disaster-related personal
8 casualty losses” means losses described in section
9 165(c)(3) of the Internal Revenue Code of 1986
10 which arise in a qualified disaster area on or after
11 the first day of the incident period of the qualified
12 disaster to which such area relates, and which are
13 attributable to such qualified disaster.

14 (c) SPECIAL RULE FOR DETERMINING EARNED IN-
15 COME.—

16 (1) IN GENERAL.—In the case of a qualified in-
17 dividual, if the earned income of the taxpayer for the
18 applicable taxable year is less than the earned in-
19 come of the taxpayer for the preceding taxable year,
20 the credits allowed under sections 24(d) and 32 of
21 the Internal Revenue Code of 1986 may, at the elec-
22 tion of the taxpayer, be determined by sub-
23 stituting—

24 (A) such earned income for the preceding
25 taxable year, for

1 (B) such earned income for the applicable
2 taxable year.

3 (2) QUALIFIED INDIVIDUAL.—For purposes of
4 this subsection, the term “qualified individual”
5 means any individual whose principal place of abode
6 at any time during the incident period of any quali-
7 fied disaster was located—

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

10 (B) in the qualified disaster area with re-
11 spect to such qualified disaster (but outside the
12 qualified disaster zone with respect to such
13 qualified disaster) and such individual was dis-
14 placed from such principal place of abode by
15 reason of such qualified disaster.

16 (3) APPLICABLE TAXABLE YEAR.—The term
17 “applicable taxable year” means, with respect to any
18 qualified individual, any taxable year which includes
19 any portion of the incident period of the qualified
20 disaster to which the qualified disaster area referred
21 to in paragraph (2) relates.

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

1 (5) SPECIAL RULES.—

2 (A) APPLICATION TO JOINT RETURNS.—

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

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

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

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

15 (C) ERRORS TREATED AS MATHEMATICAL
16 ERROR.—For purposes of section 6213 of the
17 Internal Revenue Code of 1986, an incorrect
18 use on a return of earned income pursuant to
19 paragraph (1) shall be treated as a mathe-
20 matical or clerical error.

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

1 SEC. 205. TREATMENT OF CERTAIN POSSESSIONS.

2 (a) PAYMENTS TO GUAM AND THE COMMONWEALTH
3 OF THE NORTHERN MARIANA ISLANDS.—In the case of
4 Guam and the Commonwealth of the Northern Mariana
5 Islands, the Secretary of the Treasury shall pay to each
6 such possession amounts equal to the loss in revenues (if
7 any) to that possession by reason of the application of the
8 provisions of this title. Such amounts shall be determined
9 by the Secretary of the Treasury based on information
10 provided by the government of the respective possession.

11 (b) PAYMENTS TO AMERICAN SAMOA.—The Sec-
12 retary of the Treasury shall pay to American Samoa
13 amounts estimated by the Secretary of the Treasury as
14 being equal to the aggregate benefits (if any) that would
15 have been provided to residents of American Samoa by
16 reason of the provisions of this title if American Samoa
17 had in effect a tax system under which the income tax
18 liability of residents of American Samoa were determined
19 by reference to the income tax laws of the United States.
20 The preceding sentence shall not apply unless American
21 Samoa has a plan, which has been approved by the Sec-
22 retary of the Treasury, under which it will promptly dis-
23 tribute such payments to its residents.

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

- 1 as a refund due from a credit provision referred to in sub-
- 2 section (b)(2) of such section.