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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, ETC.

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

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference
shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

c) Table of Contents.—The table of contents of 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.

**TITLE I—EXTENSION OF EXPIRING PROVISIONS**

**Subtitle A—Provisions Expiring in 2018**

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

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

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

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

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

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to property purchased after December 31, 2017.

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

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

(b) **Effective Date.**—The amendment made by this section shall apply to property placed in service after December 31, 2017.

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

(a) **In General.**—Section 30D(g)(3)(E)(ii) is amended by striking “January 1, 2018” and inserting “January 1, 2020”.

(b) **Effective Date.**—The amendment made by this section shall apply to vehicles acquired after December 31, 2017.

**SEC. 105. SECOND GENERATION BIOFUEL PRODUCER CREDIT.**

(a) **In General.**—Section 40(b)(6)(J)(i) is amended by striking “January 1, 2018” and inserting “January 1, 2020”.

(b) **Effective Date.**—The amendment made by this section shall apply to qualified second generation biofuel production after December 31, 2017.

**SEC. 106. BIODIESEL AND RENEWABLE DIESEL INCENTIVES.**

(a) **Income Tax Credit.**—

(1) **In General.**—Subsection (g) of section 40A is amended by striking “December 31, 2017” and inserting “December 31, 2019”.
(2) **Effective Date.**—The amendment made by this subsection shall apply to fuel sold or used after December 31, 2017.

(b) **Excise Tax Incentives.**—

(1) **In General.**—Section 6426(c)(6) is amended by striking “December 31, 2017” and inserting “December 31, 2019”.

(2) **Payments.**—Section 6427(e)(6)(B) is amended by striking “December 31, 2017” and inserting “December 31, 2019”.

(3) **Effective Date.**—The amendments made by this subsection shall apply to fuel sold or used after December 31, 2017.

(4) **Special Rule for 2018.**—Notwithstanding any other provision of law, in the case of any biodiesel mixture credit properly determined under section 6426(c) of the Internal Revenue Code of 1986 for the period beginning on January 1, 2018, and ending on December 31, 2018, such credit shall be allowed, and any refund or payment attributable to such credit (including any payment under section 6427(e) of such Code) shall be made, only in such manner as the Secretary of the Treasury (or the Secretary’s delegate) shall provide. Such Secretary shall issue guidance within 30 days after the date of
the enactment of this Act providing for a one-time
submission of claims covering periods described in
the preceding sentence. Such guidance shall provide
for a 180-day period for the submission of such
claims (in such manner as prescribed by such Sec-
retary) to begin not later than 30 days after such
guidance is issued. Such claims shall be paid by such
Secretary not later than 60 days after receipt. If
such Secretary has not paid pursuant to a claim
filed under this subsection within 60 days after the
date of the filing of such claim, the claim shall be
paid with interest from such date determined by
using the overpayment rate and method under sec-
tion 6621 of such Code.

SEC. 107. CREDIT FOR ELECTRICITY PRODUCED FROM
CERTAIN RENEWABLE RESOURCES.

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

(1) Paragraph (2)(A).
(2) Paragraph (3)(A).
(3) Paragraph (4)(B).
(4) Paragraph (6).
(5) Paragraph (7).
(6) Paragraph (9).

(7) Paragraph (11)(B).

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

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

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

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

SEC. 108. PRODUCTION CREDIT FOR INDIAN COAL FACILITIES.

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

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to coal produced after December 31, 2017.
SEC. 109. RAILROAD TRACK MAINTENANCE CREDIT.

(a) In General.—Section 45G((f) is amended by striking “January 1, 2018” and inserting “January 1, 2020”.

(b) Effective Date.—

(1) In General.—The amendment made by this section shall apply to expenditures paid or incurred during taxable years beginning after December 31, 2017.

(2) Safe Harbor Assignments.—Assignments, including related expenditures paid or incurred, under paragraph (2) of section 45G(b) of the Internal Revenue Code of 1986 for any taxable year beginning on or after January 1, 2018, and before January 1, 2019, shall be treated as effective as of the close of such taxable year if made pursuant to a written agreement entered into no later than 90 days following the date of the enactment of this Act.

SEC. 110. ENERGY EFFICIENT HOMES CREDIT.

(a) In General.—Section 45L(g) is amended by striking “December 31, 2017” and inserting “December 31, 2019”.

(b) Effective Date.—The amendment made by this section shall apply to homes acquired after December 31, 2017.
SEC. 111. CLASSIFICATION OF CERTAIN RACE HORSES AS 3-YEAR PROPERTY.

(a) In General.—Section 168(e)(3)(A)(i) is amended—

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

(2) by striking “December 31, 2017” in subclause (II) and inserting “December 31, 2019”.

(b) Effective Date.—The amendments made by this section shall apply to property placed in service after December 31, 2017.

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

(a) In General.—Section 168(l)(2)(D) is amended by striking “January 1, 2018” and inserting “January 1, 2020”.

(b) Effective Date.—The amendment made by this section shall apply to property placed in service after December 31, 2017.

SEC. 113. ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION.

(a) In General.—Section 179D(h) is amended by striking “December 31, 2017” and inserting “December 31, 2019”.

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

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

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

SEC. 115. EXTENSION OF SPECIAL RULE FOR SALES OR DISPOSITIONS TO IMPLEMENT FERC OR STATE ELECTRIC RESTRUCTURING POLICY FOR QUALIFIED ELECTRIC UTILITIES.

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

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

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

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

(2) OUTLAY PAYMENTS FOR ALTERNATIVE FUELS.—Section 6427(e)(6)(C) is amended by striking “December 31, 2017” and inserting “December 31, 2019”.

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

(b) SPECIAL RULE FOR 2018.—Notwithstanding any other provision of law, in the case of any alternative fuel credit properly determined under section 6426(d) of the Internal Revenue Code of 1986 for the period beginning on January 1, 2018, and ending on December 31, 2018, such credit shall be allowed, and any refund or payment attributable to such credit (including any payment under section 6427(e) of such Code) shall be made, only in such manner as the Secretary of the Treasury (or the Secretary’s delegate) shall provide. Such Secretary shall issue guidance within 30 days after the date of the enactment of this Act providing for a one-time submission of claims covering periods described in the preceding sentence. Such guidance shall provide for a 180-day period for the submission of such claims (in such manner as prescribed by
such Secretary) to begin not later than 30 days after such
guidance is issued. Such claims shall be paid by such Sec-
retary not later than 60 days after receipt. If such Sec-
retary has not paid pursuant to a claim filed under this
subsection within 60 days after the date of the filing of
such claim, the claim shall be paid with interest from such
date determined by using the overpayment rate and meth-
od under section 6621 of such Code.

(e) Clarification of Rules Regarding Alternative Fuel Mixture Credit.—

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

(2) Effective date.—The amendment made
by this subsection shall apply to—

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

(B) fuel sold or used before such date of
enactment, but only to the extent that credits
and claims of credit under section 6426(e) of
the Internal Revenue Code of 1986 with respect
to such sale or use have not been paid or al-
lowed as of such date.
SEC. 117. 7-YEAR RECOVERY PERIOD FOR MOTORSPORTS ENTERTAINMENT COMPLEXES.

(a) In General.—Section 168(i)(15)(D) is amended by striking “December 31, 2017” and inserting “December 31, 2019”.

(b) Effective Date.—The amendment made by this section shall apply to property placed in service after December 31, 2017.

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

(a) In General.—Section 168(j)(9) is amended by striking “December 31, 2017” and inserting “December 31, 2019”.

(b) Effective Date.—The amendment made by this section shall apply to property placed in service after December 31, 2017.

SEC. 119. EXPENSING RULES FOR CERTAIN PRODUCTIONS.

(a) In General.—Section 181(g) is amended by striking “December 31, 2017” and inserting “December 31, 2019”.

(b) Effective Date.—The amendment made by this section shall apply to productions commencing after December 31, 2017.
SEC. 120. INDIAN EMPLOYMENT CREDIT.

(a) In General.—Section 45A(f) is amended by striking “December 31, 2017” and inserting “December 31, 2019”.

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 121. MINE RESCUE TEAM TRAINING CREDIT.

(a) In General.—Section 45N(e) is amended by striking “December 31, 2017” and inserting “December 31, 2019”.

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 122. EXCLUSION FROM GROSS INCOME OF DISCHARGE OF QUALIFIED PRINCIPAL RESIDENCE INDEBTEDNESS.

(a) In General.—Section 108(a)(1)(E) is amended by striking “January 1, 2018” each place it appears and inserting “January 1, 2020”.

(b) Effective Date.—The amendment made by this section shall apply to discharges of indebtedness after December 31, 2017.
SEC. 123. TREATMENT OF MORTGAGE INSURANCE PREMIUMS AS QUALIFIED RESIDENCE INTEREST.

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

(b) Effective Date.—The amendment made by this section shall apply to amounts paid or accrued after December 31, 2017.

SEC. 124. DEDUCTION OF QUALIFIED TUITION AND RELATED EXPENSES.

(a) In General.—Section 222(e) is amended by striking “December 31, 2017” and inserting “December 31, 2019”.

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 125. EXTENSION OF EMPOWERMENT ZONE TAX INCENTIVES.

(a) In General.—Section 1391(d)(1)(A)(i) is amended by striking “December 31, 2017” and inserting “December 31, 2019”.

(b) Treatment of Certain Termination Dates Specified in Nominations.—In the case of a designation of an empowerment zone the nomination for which included a termination date which is contemporaneous with the date specified in subparagraph (A)(i) of section
1391(d)(1) of the Internal Revenue Code of 1986 (as in effect before the enactment of this Act), subparagraph (B) of such section shall not apply with respect to such designation if, after the date of the enactment of this section, the entity which made such nomination amends the nomination to provide for a new termination date in such manner as the Secretary of the Treasury (or the Secretary’s designee) may provide.

(e) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2017.

SEC. 126. AMERICAN SAMOA ECONOMIC DEVELOPMENT CREDIT.

(a) In General.—Section 119(d) of division A of the Tax Relief and Health Care Act of 2006 is amended—

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

(2) by striking “first 12 taxable years” in paragraph (1) and inserting “first 14 taxable years”,

(3) by striking “first 6 taxable years” in paragraph (2) and inserting “first 8 taxable years”, and

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

“In the case of a corporation described in subsection (a)(2), the Internal Revenue Code of 1986 shall be applied
and administered without regard to the amendments made 
by section 401(d)(1) of the Tax Technical Corrections Act 
of 2018.”.

(b) **Effective Date.**—The amendments made by 
this section shall apply to taxable years beginning after 
December 31, 2017.

**Subtitle B—Provisions Expiring in 2019**

**SEC. 151. TEMPORARY REDUCTION IN MEDICAL EXPENSE**

**DEDUCTION FLOOR.**

(a) **In General.**—Section 213(f) is amended to read 
as follows:

“(f) **Special Rule.**—In the case of taxable years be-
beginning before January 1, 2020, subsection (a) shall be 
applied by substituting ‘7.5 percent’ for ‘10 percent’.”.

(b) **Alternative Minimum Tax.**—Section 56(b)(1)(B) is amended by striking “January 1, 2019” 
and inserting “January 1, 2020”.

(c) **Effective Date.**—The amendments made by 
is section shall apply to taxable years ending after De-
ember 31, 2018.
SEC. 152. EXTENSION OF OIL SPILL LIABILITY TRUST FUND RATE.

(a) In General.—Section 4611(f)(2) is amended by striking “December 31, 2018” and inserting “December 31, 2019”.

(b) Effective Date.—The amendment made by this section shall apply on and after the first day of the first calendar month beginning after the date of the enactment of this Act.

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

(a) In General.—Section 4121(e)(2)(A) is amended by striking “December 31, 2018” and inserting “December 31, 2019”.

(b) Effective Date.—The amendment made by this section shall apply on and after the first day of the first calendar month beginning after the date of the enactment of this Act.

TITLE II—DISASTER TAX RELIEF

SEC. 201. DEFINITIONS.

For purposes of this title—

(1) QUALIFIED DISASTER AREA.—

(A) In General.—The term “qualified disaster area” means any area with respect to which a major disaster was declared after January 1, 2018, and before March 1, 2019, by the President under section 401 of the Robert T.
Stafford Disaster Relief and Emergency Assistance Act if the incident period of the disaster with respect to which such declaration is made begins before January 1, 2019.

(B) Exception.—Such term shall not include the California wildfire disaster area (as defined in section 20101 of subdivision 2 of division B of the Bipartisan Budget Act of 2018).

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

(3) Qualified disaster.—The term “qualified disaster” means, with respect to any qualified disaster area, the disaster by reason of which a major disaster was declared with respect to such area.

(4) Incident period.—The term “incident period” means, with respect to any qualified disaster, the period specified by the Federal Emergency Man-
agement Agency as the period during which such disaster occurred (except that for purposes of this title such period shall not be treated as beginning before January 1, 2018, or ending after December 31, 2018).

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

(a) Tax-favored Withdrawals From Retirement Plans.—

(1) In general.—Section 72(t) of the Internal Revenue Code of 1986 shall not apply to any qualified disaster distribution.

(2) Aggregate dollar limitation.—

(A) In general.—For purposes of this subsection, the aggregate amount of distributions received by an individual which may be treated as qualified disaster distributions for any taxable year shall not exceed the excess (if any) of—

(i) $100,000, over

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

(B) Treatment of plan distributions.—If a distribution to an individual would
(without regard to subparagraph (A)) be a qualified disaster distribution, a plan shall not be treated as violating any requirement of the Internal Revenue Code of 1986 merely because the plan treats such distribution as a qualified disaster distribution, unless the aggregate amount of such distributions from all plans maintained by the employer (and any member of any controlled group which includes the employer) to such individual exceeds $100,000.

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

(D) SPECIAL RULE FOR INDIVIDUALS AFFECTED BY MORE THAN ONE DISASTER.—The limitation of subparagraph (A) shall be applied separately with respect to distributions made with respect to each qualified disaster.

(3) AMOUNT DISTRIBUTED MAY BE REPaid.—

(A) IN GENERAL.—Any individual who receives a qualified disaster distribution may, at any time during the 3-year period beginning on
the day after the date on which such distribu-
tion was received, make 1 or more contributions
in an aggregate amount not to exceed the
amount of such distribution to an eligible retire-
ment plan of which such individual is a bene-
ficiary and to which a rollover contribution of
such distribution could be made under section
402(c), 403(a)(4), 403(b)(8), 408(d)(3), or
457(e)(16), of the Internal Revenue Code of
1986, as the case may be.

(B) Treatment of repayments of dis-
tributions from eligible retirement
plans other than IRAs.—For purposes of
the Internal Revenue Code of 1986, if a con-
tribution is made pursuant to subparagraph (A)
with respect to a qualified disaster distribution
from an eligible retirement plan other than an
individual retirement plan, then the taxpayer
shall, to the extent of the amount of the con-
tribution, be treated as having received the
qualified disaster distribution in an eligible roll-
over distribution (as defined in section
402(c)(4) of such Code) and as having trans-
ferred the amount to the eligible retirement
plan in a direct trustee to trustee transfer within 60 days of the distribution.

(C) Treatment of repayments of distributions from IRAs.—For purposes of the Internal Revenue Code of 1986, if a contribution is made pursuant to subparagraph (A) with respect to a qualified disaster distribution from an individual retirement plan (as defined by section 7701(a)(37) of such Code), then, to the extent of the amount of the contribution, the qualified disaster distribution shall be treated as a distribution described in section 408(d)(3) of such Code and as having been transferred to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(4) Definitions.—For purposes of this subsection—

(A) Qualified disaster distribution.—Except as provided in paragraph (2), the term “qualified disaster distribution” means any distribution from an eligible retirement plan made—

(i) on or after the first day of the incident period of a qualified disaster and
before the date which is 180 days after the
date of the enactment of this Act, and

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

(B) Eligible Retirement Plan.—The
term “eligible retirement plan” shall have the
meaning given such term by section
402(c)(8)(B) of the Internal Revenue Code of
1986.

(5) Income Inclusion Spread Over 3-Year
Period.—

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

(B) Special Rule.—For purposes of sub-
paragraph (A), rules similar to the rules of sub-
paragraph (E) of section 408A(d)(3) of the Internal Revenue Code of 1986 shall apply.

(6) Special rules.—

(A) Exemption of distributions from trustee to trustee transfer and withholding rules.—For purposes of sections 401(a)(31), 402(f), and 3405 of the Internal Revenue Code of 1986, qualified disaster distributions shall not be treated as eligible rollover distributions.

(B) Qualified disaster distributions treated as meeting plan distribution requirements.—For purposes the Internal Revenue Code of 1986, a qualified disaster distribution shall be treated as meeting the requirements of sections 401(k)(2)(B)(i), 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A) of such Code.

(b) Recontributions of withdrawals for home purchases.—

(1) Recontributions.—

(A) In general.—Any individual who received a qualified distribution may, during the applicable period, make 1 or more contributions in an aggregate amount not to exceed the
amount of such qualified distribution to an eligi-
geble retirement plan (as defined in section
402(c)(8)(B) of the Internal Revenue Code of
1986) of which such individual is a beneficiary
and to which a rollover contribution of such dis-
tribution could be made under section 402(c),
403(a)(4), 403(b)(8), or 408(d)(3), of such
Code, as the case may be.

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

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

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

(B) which was to be used to purchase or
construct a principal residence in a qualified
disaster area, but which was not so used on ac-
count of the qualified disaster with respect to
such area, and
(C) which was received during the period beginning on the date which is 180 days before the first day of the incident period of such qualified disaster and ending on the date which is 30 days after the last day of such incident period.

(3) APPLICABLE PERIOD.—For purposes of this subsection, the term “applicable period” means, in the case of a principal residence in a qualified disaster area with respect to any qualified disaster, the period beginning on the first day of the incident period of such qualified disaster and ending on the date which is 180 days after the date of the enactment of this Act.

(c) LOANS FROM QUALIFIED PLANS.—

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

(A) clause (i) of section 72(p)(2)(A) of such Code shall be applied by substituting “$100,000” for “$50,000”, and
(B) clause (ii) of such section shall be applied by substituting “the present value of the nonforfeitable accrued benefit of the employee under the plan” for “one-half of the present value of the nonforfeitable accrued benefit of the employee under the plan”.

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

(A) if the due date pursuant to subparagraph (B) or (C) of section 72(p)(2) of such Code for any repayment with respect to such loan occurs during the period beginning on the first day of the incident period of such qualified disaster and ending on the date which is 180 days after the last day of such incident period, such due date shall be delayed for 1 year (or, if later, until the date which is 180 days after the date of the enactment of this Act),

(B) any subsequent repayments with respect to any such loan shall be appropriately
adjusted to reflect the delay in the due date under subparagraph (A) and any interest accruing during such delay, and

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

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

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

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

(d) PROVISIONS RELATING TO PLAN AMENDMENTS.—

(1) IN GENERAL.—If this subsection applies to any amendment to any plan or annuity contract, such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in paragraph (2)(B)(i).
(2) Amendments to which subsection applies.—

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

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

(ii) on or before the last day of the first plan year beginning on or after January 1, 2020, or such later date as the Secretary may prescribe.

In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), clause (ii) shall be applied by substituting the date which is 2 years after the date otherwise applied under clause (ii).

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

(i) during the period—

(I) beginning on the date that this section or the regulation described in subparagraph (A)(i) takes
effect (or in the case of a plan or contract amendment not required by this section or such regulation, the effective date specified by the plan), and

(II) ending on the date described in subparagraph (A)(ii) (or, if earlier, the date the plan or contract amendment is adopted),

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

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

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

(a) IN GENERAL.—For purposes of section 38 of the Internal Revenue Code of 1986, in the case of an eligible employer, the 2018 qualified disaster employee retention credit shall be treated as a credit listed at the end of subsection (b) of such section. For purposes of this section, the 2018 qualified disaster employee retention credit for any taxable year is an amount equal to 40 percent of the qualified wages with respect to each eligible employee of such employer for such taxable year. The amount of qualified wages with respect to any employee which may be taken into account under this section by the employer for
any taxable year shall not exceed $6,000 (reduced by the
amount of qualified wages with respect to such employee
which may be so taken into account for any prior taxable
year).

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

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

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

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

(2) ELIGIBLE EMPLOYEE.—The term “eligible
employee” means with respect to an eligible em-
ployer an employee whose principal place of employ-
ment with such eligible employer (determined imme-
diately before the qualified disaster referred to in
paragraph (1)) was in the qualified disaster zone referred to in such paragraph.

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

(A) the date on which such trade or business has resumed significant operations at such principal place of employment, or

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

Such term shall include wages paid without regard to whether the employee performs no services, performs services at a different place of employment than such principal place of employment, or performs services at such principal place of employment before significant operations have resumed.
(c) Certain Rules to Apply.—For purposes of this section, rules similar to the rules of sections 51(i)(1), 52, and 280C(a), of the Internal Revenue Code of 1986, shall apply.

(d) Employee Not Taken Into Account More Than Once.—An employee shall not be treated as an eligible employee for purposes of this section for any period with respect to any employer if such employer is allowed a credit under section 51 of the Internal Revenue Code of 1986 with respect to such employee for such period.

SEC. 204. OTHER DISASTER-RELATED TAX RELIEF PROVISIONS.

(a) Temporary Increase in Limitation on Qualified Contributions.—

(1) Suspension of current limitation.—Except as otherwise provided in paragraph (2), qualified contributions shall be disregarded in applying subsections (b) and (d) of section 170 of the Internal Revenue Code of 1986.

(2) Application of increased limitation.—For purposes of section 170 of the Internal Revenue Code of 1986—

(A) Individuals.—In the case of an individual—
(i) LIMITATION.—Any qualified contribution shall be allowed as a deduction only to the extent that the aggregate of such contributions does not exceed the excess of the taxpayer’s contribution base (as defined in subparagraph (H) of section 170(b)(1) of such Code) over the amount of all other charitable contributions allowed under section 170(b)(1) of such Code.

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

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

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

(ii) CARRYOVER.—If the aggregate amount of qualified contributions made in the contribution year (within the meaning of section 170(d)(2) of such Code) exceeds the limitation of clause (i), such excess shall be appropriately taken into account under section 170(d)(2) subject to the limitations thereof.

(3) QUALIFIED CONTRIBUTIONS.—

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

(i) such contribution—

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

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

(ii) the taxpayer obtains from such organization contemporaneous written acknowledgment (within the meaning of sec-
tion 170(f)(8) of such Code) that such con-
tribution was used (or is to be used) for
relief efforts described in clause (i)(II),
and

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

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

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

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

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

(b) SPECIAL RULES FOR QUALIFIED DISASTER-re-
LATED PERSONAL CASUALTY LOSSES.—
(1) IN GENERAL.—If an individual has a net disaster loss for any taxable year—

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

(i) such net disaster loss, and

(ii) so much of the excess referred to in the matter preceding clause (i) of section 165(h)(2)(A) of such Code (reduced by the amount in clause (i) of this subparagraph) as exceeds 10 percent of the adjusted gross income of the individual,

(B) section 165(h)(1) of such Code shall be applied by substituting “$500” for “$500 ($100 for taxable years beginning after December 31, 2009)”,

(C) the standard deduction determined under section 63(c) of such Code shall be increased by the net disaster loss, and

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

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

(3) Qualified disaster-related personal casualty losses.—For purposes of this subsection, the term “qualified disaster-related personal casualty losses” means losses described in section 165(c)(3) of the Internal Revenue Code of 1986 which arise in a qualified disaster area on or after the first day of the incident period of the qualified disaster to which such area relates, and which are attributable to such qualified disaster.

(e) Special rule for determining earned income.—

(1) In general.—In the case of a qualified individual, if the earned income of the taxpayer for the applicable taxable year is less than the earned income of the taxpayer for the preceding taxable year, the credits allowed under sections 24(d) and 32 of the Internal Revenue Code of 1986 may, at the election of the taxpayer, be determined by substituting—

(A) such earned income for the preceding taxable year, for
(B) such earned income for the applicable taxable year.

(2) Qualified Individual.—For purposes of this subsection, the term “qualified individual” means any individual whose principal place of abode at any time during the incident period of any qualified disaster was located—

(A) in the qualified disaster zone with respect to such qualified disaster, or

(B) in the qualified disaster area with respect to such qualified disaster (but outside the qualified disaster zone with respect to such qualified disaster) and such individual was displaced from such principal place of abode by reason of such qualified disaster.

(3) Applicable Taxable Year.—The term “applicable taxable year” means, with respect to any qualified individual, any taxable year which includes any portion of the incident period of the qualified disaster to which the qualified disaster area referred to in paragraph (2) relates.

(4) Earned Income.—For purposes of this subsection, the term “earned income” has the meaning given such term under section 32(c) of the Internal Revenue Code of 1986.
(5) SPECIAL RULES.—

(A) APPLICATION TO JOINT RETURNS.—
For purposes of paragraph (1), in the case of a joint return for an applicable taxable year—

(i) such paragraph shall apply if either spouse is a qualified individual, and

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

(B) UNIFORM APPLICATION OF ELECTION.—Any election made under paragraph (1) shall apply with respect to both sections 24(d) and 32 of the Internal Revenue Code of 1986.

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

(D) NO EFFECT ON DETERMINATION OF GROSS INCOME, ETC.—Except as otherwise provided in this subsection, the Internal Revenue Code of 1986 shall be applied without regard to any substitution under paragraph (1).
SEC. 205. TREATMENT OF CERTAIN POSSESSIONS.

(a) Payments to Guam and the Commonwealth of the Northern Marianas Islands.—In the case of Guam and the Commonwealth of the Northern Marianas Islands, the Secretary of the Treasury shall pay to each such possession amounts equal to the loss in revenues (if any) to that possession by reason of the application of the provisions of this title. Such amounts shall be determined by the Secretary of the Treasury based on information provided by the government of the respective possession.

(b) Payments to American Samoa.—The Secretary of the Treasury shall pay to American Samoa amounts estimated by the Secretary of the Treasury as being equal to the aggregate benefits (if any) that would have been provided to residents of American Samoa by reason of the provisions of this title if American Samoa had in effect a tax system under which the income tax liability of residents of American Samoa were determined by reference to the income tax laws of the United States. The preceding sentence shall not apply unless American Samoa has a plan, which has been approved by the Secretary of the Treasury, under which it will promptly distribute such payments to its residents.

(e) Treatment of Payments.—For purposes of section 1324 of title 31, United States Code, the payments under this section shall be treated in the same manner
as a refund due from a credit provision referred to in sub-section (b)(2) of such section.