103D CONGRESS 2D SESSION H. R. 3762

To amend the Internal Revenue Code of 1986 to permit the penalty-free withdrawal of amounts in retirement plans to pay for disaster-related expenses.

IN THE HOUSE OF REPRESENTATIVES

February 2, 1994

Mr. GALLEGLY introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to permit the penalty-free withdrawal of amounts in retirement plans to pay for disaster-related expenses.

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. PENALTY-FREE WITHDRAWALS FOR DISASTER-

4

RELATED EXPENSES.

5 (a) GENERAL RULE.—Paragraph (2) of section 72(t)

6 of the Internal Revenue Code of 1986 (relating to distribu-

7 tions to which penalty does not apply) is amended by add-

8 ing at the end the following new subparagraph:

"(D) 1 DISASTER-RELATED DISTRIBU-2 TIONS.—Any distribution if such distribution is used within 60 days of the date of the distribu-3 tion to pay disaster-related costs." 4 5 (b) DISASTER-RELATED COSTS DEFINED.—Subsection (t) of section 72 of such Code is amended by add-6 7 ing at the end the following new paragraph: "(6) DISASTER-RELATED COSTS.—For purposes 8 9 of this subsection, the term 'disaster-related costs' 10 means-"(A) costs of repairing or replacing prop-11 erty damaged in a federally declared disaster, 12 13 and "(B) any additional living expenses in-14 curred on account of damage to the taxpayer's 15 residence caused by a federally declared disas-16 17 ter. 18 For purposes of the preceding sentence, the term 19 'federally declared disaster' means any disaster oc-20 curring in an area subsequently determined by the 21 President of the United States to warrant assistance 22 by the Federal Government under the Disaster Relief and Emergency Assistance Act." 23

(c) EFFECTIVE DATE.—The amendments made by
this section shall apply to distributions after January 17,
1994.

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