

115TH CONGRESS
1ST SESSION

S. 1892

To provide tax relief related to Hurricanes Harvey, Irma, and Maria.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 28, 2017

Mr. CRUZ (for himself, Mr. CORNYN, and Mr. RUBIO) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide tax relief related to Hurricanes Harvey, Irma,
and Maria.

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. DEFINITIONS.**

4 (a) HURRICANE HARVEY DISASTER ZONE AND DIS-
5 ASTER AREA.—For purposes of this Act—

6 (1) HURRICANE HARVEY DISASTER ZONE.—The
7 term “Hurricane Harvey disaster zone” means that
8 portion of the Hurricane Harvey disaster area deter-
9 mined by the President to warrant individual or in-
10 dividual and public assistance from the Federal Gov-
11 ernment under the Robert T. Stafford Disaster Re-

1 lief and Emergency Assistance Act by reason of
2 Hurricane Harvey.

3 (2) HURRICANE HARVEY DISASTER AREA.—The
4 term “Hurricane Harvey disaster area” means an
5 area with respect to which a major disaster has been
6 declared by the President before September 21,
7 2017, under section 401 of such Act by reason of
8 Hurricane Harvey.

9 (b) HURRICANE IRMA DISASTER ZONE AND DIS-
10 ASTER AREA.—For purposes of this Act—

11 (1) HURRICANE IRMA DISASTER ZONE.—The
12 term “Hurricane Irma disaster zone” means that
13 portion of the Hurricane Irma disaster area deter-
14 mined by the President to warrant individual or in-
15 dividual and public assistance from the Federal Gov-
16 ernment under such Act by reason of Hurricane
17 Irma.

18 (2) HURRICANE IRMA DISASTER AREA.—The
19 term “Hurricane Irma disaster area” means an area
20 with respect to which a major disaster has been de-
21 clared by the President before September 21, 2017,
22 under section 401 of such Act by reason of Hurri-
23 cane Irma.

24 (c) HURRICANE MARIA DISASTER ZONE AND DIS-
25 ASTER AREA.—For purposes of this Act—

1 (1) HURRICANE MARIA DISASTER ZONE.—The
2 term “Hurricane Maria disaster zone” means that
3 portion of the Hurricane Maria disaster area deter-
4 mined by the President to warrant individual or in-
5 dividual and public assistance from the Federal Gov-
6 ernment under such Act by reason of Hurricane
7 Maria.

8 (2) HURRICANE MARIA DISASTER AREA.—The
9 term “Hurricane Maria disaster area” means an
10 area with respect to which a major disaster has been
11 declared by the President before September 21,
12 2017, under section 401 of such Act by reason of
13 Hurricane Maria.

14 **SEC. 2. SPECIAL DISASTER-RELATED RULES FOR USE OF**
15 **RETIREMENT FUNDS.**

16 (a) TAX-FAVORED WITHDRAWALS FROM RETIRE-
17 MENT PLANS.—

18 (1) IN GENERAL.—Section 72(t) of the Internal
19 Revenue Code of 1986 shall not apply to any quali-
20 fied hurricane distribution.

21 (2) AGGREGATE DOLLAR LIMITATION.—

22 (A) IN GENERAL.—For purposes of this
23 subsection, the aggregate amount of distribu-
24 tions received by an individual which may be
25 treated as qualified hurricane distributions for

1 any taxable year shall not exceed the excess (if
2 any) of—

3 (i) \$100,000, over

4 (ii) the aggregate amounts treated as
5 qualified hurricane distributions received
6 by such individual for all prior taxable
7 years.

8 (B) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual would
9 (without regard to subparagraph (A)) be a
10 qualified hurricane distribution, a plan shall not
11 be treated as violating any requirement of the
12 Internal Revenue Code of 1986 merely because
13 the plan treats such distribution as a qualified
14 hurricane distribution, unless the aggregate
15 amount of such distributions from all plans
16 maintained by the employer (and any member
17 of any controlled group which includes the em-
18 ployer) to such individual exceeds \$100,000.

19 (C) CONTROLLED GROUP.—For purposes
20 of subparagraph (B), the term “controlled
21 group” means any group treated as a single
22 employer under subsection (b), (c), (m), or (o)
23 of section 414 of the Internal Revenue Code of
24 1986.
25

1 (3) AMOUNT DISTRIBUTED MAY BE REPAYED.—

2 (A) IN GENERAL.—Any individual who re-
3 ceives a qualified hurricane distribution may, at
4 any time during the 3-year period beginning on
5 the day after the date on which such distribu-
6 tion was received, make one or more contribu-
7 tions in an aggregate amount not to exceed the
8 amount of such distribution to an eligible retire-
9 ment plan of which such individual is a bene-
10 ficiary and to which a rollover contribution of
11 such distribution could be made under section
12 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or
13 457(e)(16), of the Internal Revenue Code of
14 1986, as the case may be.

15 (B) TREATMENT OF REPAYMENTS OF DIS-
16 TRIBUTIONS FROM ELIGIBLE RETIREMENT
17 PLANS OTHER THAN IRAS.—For purposes of
18 the Internal Revenue Code of 1986, if a con-
19 tribution is made pursuant to subparagraph (A)
20 with respect to a qualified hurricane distribu-
21 tion from an eligible retirement plan other than
22 an individual retirement plan, then the taxpayer
23 shall, to the extent of the amount of the con-
24 tribution, be treated as having received the
25 qualified hurricane distribution in an eligible

1 rollover distribution (as defined in section
2 402(c)(4) of such Code) and as having trans-
3 ferred the amount to the eligible retirement
4 plan in a direct trustee to trustee transfer with-
5 in 60 days of the distribution.

6 (C) TREATMENT OF REPAYMENTS FOR
7 DISTRIBUTIONS FROM IRAS.—For purposes of
8 the Internal Revenue Code of 1986, if a con-
9 tribution is made pursuant to subparagraph (A)
10 with respect to a qualified hurricane distribu-
11 tion from an individual retirement plan (as de-
12 fined by section 7701(a)(37) of such Code),
13 then, to the extent of the amount of the con-
14 tribution, the qualified hurricane distribution
15 shall be treated as a distribution described in
16 section 408(d)(3) of such Code and as having
17 been transferred to the eligible retirement plan
18 in a direct trustee to trustee transfer within 60
19 days of the distribution.

20 (4) DEFINITIONS.—For purposes of this sub-
21 section—

22 (A) QUALIFIED HURRICANE DISTRIBUTION.—Except as provided in paragraph (2),
23 the term “qualified hurricane distribution”
24 means—
25

1 (i) any distribution from an eligible
2 retirement plan made on or after August
3 23, 2017, and before January 1, 2019, to
4 an individual whose principal place of
5 abode on August 23, 2017, is located in
6 the Hurricane Harvey disaster area and
7 who has sustained an economic loss by rea-
8 son of Hurricane Harvey,

9 (ii) any distribution (which is not de-
10 scribed in clause (i)) from an eligible re-
11 tirement plan made on or after September
12 4, 2017, and before January 1, 2019, to
13 an individual whose principal place of
14 abode on September 4, 2017, is located in
15 the Hurricane Irma disaster area and who
16 has sustained an economic loss by reason
17 of Hurricane Irma, and

18 (iii) any distribution (which is not de-
19 scribed in clause (i) or (ii)) from an eligi-
20 ble retirement plan made on or after Sep-
21 tember 16, 2017, and before January 1,
22 2019, to an individual whose principal
23 place of abode on September 16, 2017, is
24 located in the Hurricane Maria disaster

1 area and who has sustained an economic
2 loss by reason of Hurricane Maria.

3 (B) ELIGIBLE RETIREMENT PLAN.—The
4 term “eligible retirement plan” shall have the
5 meaning given such term by section
6 402(c)(8)(B) of the Internal Revenue Code of
7 1986.

8 (5) INCOME INCLUSION SPREAD OVER 3-YEAR
9 PERIOD.—

10 (A) IN GENERAL.—In the case of any
11 qualified hurricane distribution, unless the tax-
12 payer elects not to have this paragraph apply
13 for any taxable year, any amount required to be
14 included in gross income for such taxable year
15 shall be so included ratably over the 3-taxable-
16 year period beginning with such taxable year.

17 (B) SPECIAL RULE.—For purposes of sub-
18 paragraph (A), rules similar to the rules of sub-
19 paragraph (E) of section 408A(d)(3) of the In-
20 ternal Revenue Code of 1986 shall apply.

21 (6) SPECIAL RULES.—

22 (A) EXEMPTION OF DISTRIBUTIONS FROM
23 TRUSTEE TO TRUSTEE TRANSFER AND WITH-
24 HOLDING RULES.—For purposes of sections
25 401(a)(31), 402(f), and 3405 of the Internal

1 Revenue Code of 1986, qualified hurricane dis-
2 tributions shall not be treated as eligible roll-
3 over distributions.

4 (B) QUALIFIED HURRICANE DISTRIBUTU-
5 TIONS TREATED AS MEETING PLAN DISTRIBUTU-
6 TION REQUIREMENTS.—For purposes the Inter-
7 nal Revenue Code of 1986, a qualified hurri-
8 cane distribution shall be treated as meeting
9 the requirements of sections 401(k)(2)(B)(i),
10 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A)
11 of such Code.

12 (b) RECONTRIBUTIONS OF WITHDRAWALS FOR
13 HOME PURCHASES.—

14 (1) RECONTRIBUTIONS.—

15 (A) IN GENERAL.—Any individual who re-
16 ceived a qualified distribution may, during the
17 period beginning on August 23, 2017, and end-
18 ing on February 28, 2018, make one or more
19 contributions in an aggregate amount not to ex-
20 ceed the amount of such qualified distribution
21 to an eligible retirement plan (as defined in sec-
22 tion 402(e)(8)(B) of the Internal Revenue Code
23 of 1986) of which such individual is a bene-
24 ficiary and to which a rollover contribution of
25 such distribution could be made under section

1 402(c), 403(a)(4), 403(b)(8), or 408(d)(3), of
2 such Code, as the case may be.

3 (B) TREATMENT OF REPAYMENTS.—Rules
4 similar to the rules of subparagraphs (B) and
5 (C) of subsection (a)(3) shall apply for purposes
6 of this subsection.

7 (2) QUALIFIED DISTRIBUTION.—For purposes
8 of this subsection, the term “qualified distribution”
9 means any distribution—

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

15 (B) received after February 28, 2017, and
16 before September 21, 2017, and

17 (C) which was to be used to purchase or
18 construct a principal residence in the Hurricane
19 Harvey disaster area, the Hurricane Irma dis-
20 aster area, or the Hurricane Maria disaster
21 area, but which was not so purchased or con-
22 structed on account of Hurricane Harvey, Hur-
23 ricane Irma, or Hurricane Maria.

24 (c) LOANS FROM QUALIFIED PLANS.—

1 (1) INCREASE IN LIMIT ON LOANS NOT TREAT-
2 ED AS DISTRIBUTIONS.—In the case of any loan
3 from a qualified employer plan (as defined under
4 section 72(p)(4) of the Internal Revenue Code of
5 1986) to a qualified individual made during the pe-
6 riod beginning on the date of the enactment of this
7 Act and ending on December 31, 2018—

8 (A) clause (i) of section 72(p)(2)(A) of
9 such Code shall be applied by substituting
10 “\$100,000” for “\$50,000”, and

11 (B) clause (ii) of such section shall be ap-
12 plied by substituting “the present value of the
13 nonforfeitable accrued benefit of the employee
14 under the plan” for “one-half of the present
15 value of the nonforfeitable accrued benefit of
16 the employee under the plan”.

17 (2) DELAY OF REPAYMENT.—In the case of a
18 qualified individual with an outstanding loan on or
19 after the qualified beginning date from a qualified
20 employer plan (as defined in section 72(p)(4) of the
21 Internal Revenue Code of 1986)—

22 (A) if the due date pursuant to subpara-
23 graph (B) or (C) of section 72(p)(2) of such
24 Code for any repayment with respect to such
25 loan occurs during the period beginning on the

1 qualified beginning date and ending on Decem-
2 ber 31, 2018, such due date shall be delayed for
3 1 year,

4 (B) any subsequent repayments with re-
5 spect to any such loan shall be appropriately
6 adjusted to reflect the delay in the due date
7 under paragraph (1) and any interest accruing
8 during such delay, and

9 (C) in determining the 5-year period and
10 the term of a loan under subparagraph (B) or
11 (C) of section 72(p)(2) of such Code, the period
12 described in subparagraph (A) shall be dis-
13 regarded.

14 (3) QUALIFIED INDIVIDUAL.—For purposes of
15 this subsection—

16 (A) IN GENERAL.—The term “qualified in-
17 dividual” means any qualified Hurricane Har-
18 vey individual, any qualified Hurricane Irma in-
19 dividual, and any qualified Hurricane Maria in-
20 dividual.

21 (B) QUALIFIED HURRICANE HARVEY INDI-
22 VIDUAL.—The term “qualified Hurricane Har-
23 vey individual” means an individual whose prin-
24 cipal place of abode on August 23, 2017, is lo-
25 cated in the Hurricane Harvey disaster area

1 and who has sustained an economic loss by rea-
2 son of Hurricane Harvey.

3 (C) QUALIFIED HURRICANE IRMA INDI-
4 VIDUAL.—The term “qualified Hurricane Irma
5 individual” means an individual (other than a
6 qualified Hurricane Harvey individual) whose
7 principal place of abode on September 4, 2017,
8 is located in the Hurricane Irma disaster area
9 and who has sustained an economic loss by rea-
10 son of Hurricane Irma.

11 (D) QUALIFIED HURRICANE MARIA INDI-
12 VIDUAL.—The term “qualified Hurricane Maria
13 individual” means an individual (other than a
14 qualified Hurricane Harvey individual or a
15 qualified Hurricane Irma individual) whose
16 principal place of abode on September 16,
17 2017, is located in the Hurricane Maria dis-
18 aster area and who has sustained an economic
19 loss by reason of Hurricane Maria.

20 (4) QUALIFIED BEGINNING DATE.—For pur-
21 poses of this subsection, the qualified beginning date
22 is—

23 (A) in the case of any qualified Hurricane
24 Harvey individual, August 23, 2017,

1 (B) in the case of any qualified Hurricane
2 Irma individual, September 4, 2017, and

3 (C) in the case of any qualified Hurricane
4 Maria individual, September 16, 2017.

5 (d) PROVISIONS RELATING TO PLAN AMEND-
6 MENTS.—

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

12 (2) AMENDMENTS TO WHICH SUBSECTION AP-
13 PLIES.—

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

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

22 (ii) on or before the last day of the
23 first plan year beginning on or after Janu-
24 ary 1, 2019, or such later date as the Sec-
25 retary may prescribe.

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

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

8 (i) during the period—

9 (I) beginning on the date that
10 this section or the regulation de-
11 scribed in subparagraph (A)(i) takes
12 effect (or in the case of a plan or con-
13 tract amendment not required by this
14 section or such regulation, the effec-
15 tive date specified by the plan), and

16 (II) ending on the date described
17 in subparagraph (A)(ii) (or, if earlier,
18 the date the plan or contract amend-
19 ment is adopted),

20 the plan or contract is operated as if such plan
21 or contract amendment were in effect; and

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

1 **SEC. 3. DISASTER-RELATED EMPLOYMENT RELIEF.**

2 (a) **EMPLOYEE RETENTION CREDIT FOR EMPLOYERS**
3 **AFFECTED BY HURRICANE HARVEY.—**

4 (1) **IN GENERAL.—**For purposes of section 38
5 of the Internal Revenue Code of 1986, in the case
6 of an eligible employer, the Hurricane Harvey em-
7 ployee retention credit shall be treated as a credit
8 listed in subsection (b) of such section. For purposes
9 of this subsection, the Hurricane Harvey employee
10 retention credit for any taxable year is an amount
11 equal to 40 percent of the qualified wages with re-
12 spect to each eligible employee of such employer for
13 such taxable year. For purposes of the preceding
14 sentence, the amount of qualified wages which may
15 be taken into account with respect to any individual
16 shall not exceed \$6,000.

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

19 (A) **ELIGIBLE EMPLOYER.—**The term “eli-
20 gible employer” means any employer—

21 (i) which conducted an active trade or
22 business on August 23, 2017, in the Hur-
23 ricane Harvey disaster zone, and

24 (ii) with respect to whom the trade or
25 business described in clause (i) is inoper-
26 able on any day after August 23, 2017,

1 and before January 1, 2018, as a result of
2 damage sustained by reason of Hurricane
3 Harvey.

4 (B) ELIGIBLE EMPLOYEE.—The term “eli-
5 gible employee” means with respect to an eligi-
6 ble employer an employee whose principal place
7 of employment on August 23, 2017, with such
8 eligible employer was in the Hurricane Harvey
9 disaster zone.

10 (C) QUALIFIED WAGES.—The term “quali-
11 fied wages” means wages (as defined in section
12 51(c)(1) of the Internal Revenue Code of 1986,
13 but without regard to section 3306(b)(2)(B) of
14 such Code) paid or incurred by an eligible em-
15 ployer with respect to an eligible employee on
16 any day after August 23, 2017, and before Jan-
17 uary 1, 2018, which occurs during the period—

18 (i) beginning on the date on which the
19 trade or business described in subpara-
20 graph (A) first became inoperable at the
21 principal place of employment of the em-
22 ployee immediately before Hurricane Har-
23 vey, and

24 (ii) ending on the date on which such
25 trade or business has resumed significant

1 operations at such principal place of em-
2 ployment.

3 Such term shall include wages paid without re-
4 gard to whether the employee performs no serv-
5 ices, performs services at a different place of
6 employment than such principal place of em-
7 ployment, or performs services at such principal
8 place of employment before significant oper-
9 ations have resumed.

10 (3) CERTAIN RULES TO APPLY.—For purposes
11 of this subsection, rules similar to the rules of sec-
12 tions 51(i)(1) and 52, of the Internal Revenue Code
13 of 1986, shall apply.

14 (4) EMPLOYEE NOT TAKEN INTO ACCOUNT
15 MORE THAN ONCE.—An employee shall not be treat-
16 ed as an eligible employee for purposes of this sub-
17 section for any period with respect to any employer
18 if such employer is allowed a credit under section 51
19 of the Internal Revenue Code of 1986 with respect
20 to such employee for such period.

21 (b) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS
22 AFFECTED BY HURRICANE IRMA.—

23 (1) IN GENERAL.—For purposes of section 38
24 of the Internal Revenue Code of 1986, in the case
25 of an eligible employer, the Hurricane Irma em-

1 ployee retention credit shall be treated as a credit
2 listed in subsection (b) of such section. For purposes
3 of this subsection, the Hurricane Irma employee re-
4 tention credit for any taxable year is an amount
5 equal to 40 percent of the qualified wages with re-
6 spect to each eligible employee of such employer for
7 such taxable year. For purposes of the preceding
8 sentence, the amount of qualified wages which may
9 be taken into account with respect to any individual
10 shall not exceed \$6,000.

11 (2) DEFINITIONS.—For purposes of this sub-
12 section—

13 (A) ELIGIBLE EMPLOYER.—The term “eli-
14 gible employer” means any employer—

15 (i) which conducted an active trade or
16 business on September 4, 2017, in the
17 Hurricane Irma disaster zone, and

18 (ii) with respect to whom the trade or
19 business described in clause (i) is inoper-
20 able on any day after September 4, 2017,
21 and before January 1, 2018, as a result of
22 damage sustained by reason of Hurricane
23 Irma.

24 (B) ELIGIBLE EMPLOYEE.—The term “eli-
25 gible employee” means with respect to an eligi-

1 ble employer an employee whose principal place
2 of employment on September 4, 2017, with
3 such eligible employer was in the Hurricane
4 Irma disaster zone.

5 (C) QUALIFIED WAGES.—The term “quali-
6 fied wages” means wages (as defined in section
7 51(c)(1) of the Internal Revenue Code of 1986,
8 but without regard to section 3306(b)(2)(B) of
9 such Code) paid or incurred by an eligible em-
10 ployer with respect to an eligible employee on
11 any day after September 4, 2017, and before
12 January 1, 2018, which occurs during the pe-
13 riod—

14 (i) beginning on the date on which the
15 trade or business described in subpara-
16 graph (A) first became inoperable at the
17 principal place of employment of the em-
18 ployee immediately before Hurricane Irma,
19 and

20 (ii) ending on the date on which such
21 trade or business has resumed significant
22 operations at such principal place of em-
23 ployment.

24 Such term shall include wages paid without re-
25 gard to whether the employee performs no serv-

1 ices, performs services at a different place of
2 employment than such principal place of em-
3 ployment, or performs services at such principal
4 place of employment before significant oper-
5 ations have resumed.

6 (3) CERTAIN RULES TO APPLY.—For purposes
7 of this subsection, rules similar to the rules of sec-
8 tions 51(i)(1) and 52, of the Internal Revenue Code
9 of 1986, shall apply.

10 (4) EMPLOYEE NOT TAKEN INTO ACCOUNT
11 MORE THAN ONCE.—An employee shall not be treat-
12 ed as an eligible employee for purposes of this sub-
13 section for any period with respect to any employer
14 if such employer is allowed a credit under subsection
15 (a), or section 51 of the Internal Revenue Code of
16 1986, with respect to such employee for such period.

17 (c) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS
18 AFFECTED BY HURRICANE MARIA.—

19 (1) IN GENERAL.—For purposes of section 38
20 of the Internal Revenue Code of 1986, in the case
21 of an eligible employer, the Hurricane Maria em-
22 ployee retention credit shall be treated as a credit
23 listed in subsection (b) of such section. For purposes
24 of this subsection, the Hurricane Maria employee re-
25 tention credit for any taxable year is an amount

1 equal to 40 percent of the qualified wages with re-
2 spect to each eligible employee of such employer for
3 such taxable year. For purposes of the preceding
4 sentence, the amount of qualified wages which may
5 be taken into account with respect to any individual
6 shall not exceed \$6,000.

7 (2) DEFINITIONS.—For purposes of this sub-
8 section—

9 (A) ELIGIBLE EMPLOYER.—The term “eli-
10 gible employer” means any employer—

11 (i) which conducted an active trade or
12 business on September 16, 2017, in the
13 Hurricane Maria disaster zone, and

14 (ii) with respect to whom the trade or
15 business described in clause (i) is inoper-
16 able on any day after September 16, 2017,
17 and before January 1, 2018, as a result of
18 damage sustained by reason of Hurricane
19 Maria.

20 (B) ELIGIBLE EMPLOYEE.—The term “eli-
21 gible employee” means with respect to an eligi-
22 ble employer an employee whose principal place
23 of employment on September 16, 2017, with
24 such eligible employer was in the Hurricane
25 Maria disaster zone.

1 (C) QUALIFIED WAGES.—The term “quali-
2 fied wages” means wages (as defined in section
3 51(c)(1) of the Internal Revenue Code of 1986,
4 but without regard to section 3306(b)(2)(B) of
5 such Code) paid or incurred by an eligible em-
6 ployer with respect to an eligible employee on
7 any day after September 16, 2017, and before
8 January 1, 2018, which occurs during the pe-
9 riod—

10 (i) beginning on the date on which the
11 trade or business described in subpara-
12 graph (A) first became inoperable at the
13 principal place of employment of the em-
14 ployee immediately before Hurricane
15 Maria, and

16 (ii) ending on the date on which such
17 trade or business has resumed significant
18 operations at such principal place of em-
19 ployment.

20 Such term shall include wages paid without re-
21 gard to whether the employee performs no serv-
22 ices, performs services at a different place of
23 employment than such principal place of em-
24 ployment, or performs services at such principal

1 place of employment before significant oper-
2 ations have resumed.

3 (3) CERTAIN RULES TO APPLY.—For purposes
4 of this subsection, rules similar to the rules of sec-
5 tions 51(i)(1) and 52, of the Internal Revenue Code
6 of 1986, shall apply.

7 (4) EMPLOYEE NOT TAKEN INTO ACCOUNT
8 MORE THAN ONCE.—An employee shall not be treat-
9 ed as an eligible employee for purposes of this sub-
10 section for any period with respect to any employer
11 if such employer is allowed a credit under subsection
12 (a) or (b), or section 51 of the Internal Revenue
13 Code of 1986, with respect to such employee for
14 such period.

15 **SEC. 4. ADDITIONAL DISASTER-RELATED TAX RELIEF PRO-**
16 **VISIONS.**

17 (a) TEMPORARY SUSPENSION OF LIMITATIONS ON
18 CHARITABLE CONTRIBUTIONS.—

19 (1) IN GENERAL.—Except as otherwise pro-
20 vided in paragraph (2), subsection (b) of section 170
21 of the Internal Revenue Code of 1986 shall not
22 apply to qualified contributions and such contribu-
23 tions shall not be taken into account for purposes of
24 applying subsections (b) and (d) of such section to
25 other contributions.

1 (2) TREATMENT OF EXCESS CONTRIBUTIONS.—
2 For purposes of section 170 of the Internal Revenue
3 Code of 1986—

4 (A) INDIVIDUALS.—In the case of an indi-
5 vidual—

6 (i) LIMITATION.—Any qualified con-
7 tribution shall be allowed only to the ex-
8 tent that the aggregate of such contribu-
9 tions does not exceed the excess of the tax-
10 payer's contribution base (as defined in
11 subparagraph (G) of section 170(b)(1) of
12 such Code) over the amount of all other
13 charitable contributions allowed under sec-
14 tion 170(b)(1) of such Code.

15 (ii) CARRYOVER.—If the aggregate
16 amount of qualified contributions made in
17 the contribution year (within the meaning
18 of section 170(d)(1) of such Code) exceeds
19 the limitation of clause (i), such excess
20 shall be added to the excess described in
21 the portion of subparagraph (A) of such
22 section which precedes clause (i) thereof
23 for purposes of applying such section.

24 (B) CORPORATIONS.—In the case of a cor-
25 poration—

1 (i) LIMITATION.—Any qualified con-
2 tribution shall be allowed only to the ex-
3 tent that the aggregate of such contribu-
4 tions does not exceed the excess of the tax-
5 payer’s taxable income (as determined
6 under paragraph (2) of section 170(b) of
7 such Code) over the amount of all other
8 charitable contributions allowed under such
9 paragraph.

10 (ii) CARRYOVER.—Rules similar to the
11 rules of subparagraph (A)(ii) shall apply
12 for purposes of this subparagraph.

13 (3) EXCEPTION TO OVERALL LIMITATION ON
14 ITEMIZED DEDUCTIONS.—So much of any deduction
15 allowed under section 170 of the Internal Revenue
16 Code of 1986 as does not exceed the qualified con-
17 tributions paid during the taxable year shall not be
18 treated as an itemized deduction for purposes of sec-
19 tion 68 of such Code.

20 (4) QUALIFIED CONTRIBUTIONS.—

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

1 (i) such contribution—

2 (I) is paid during the period be-
3 ginning on August 23, 2017, and end-
4 ing on December 31, 2017, in cash to
5 an organization described in section
6 170(b)(1)(A) of such Code, and

7 (II) is made for relief efforts in
8 the Hurricane Harvey disaster area,
9 the Hurricane Irma disaster area, or
10 the Hurricane Maria disaster area,

11 (ii) the taxpayer obtains from such or-
12 ganization contemporaneous written ac-
13 knowledgment (within the meaning of sec-
14 tion 170(f)(8) of such Code) that such con-
15 tribution was used (or is to be used) for
16 relief efforts described in clause (i)(II),
17 and

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

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

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

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

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

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

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

17 (A) the amount determined under section
18 165(h)(2)(A)(ii) of the Internal Revenue Code
19 of 1986 shall be equal to the sum of—

20 (i) such net disaster loss, and

21 (ii) so much of the excess referred to
22 in the matter preceding clause (i) of sec-
23 tion 165(h)(2)(A) of such Code (reduced
24 by the amount in clause (i) of this sub-

1 paragraph) as exceeds 10 percent of the
2 adjusted gross income of the individual,

3 (B) section 165(h)(1) of such Code shall
4 be applied by substituting “\$500” for “\$500
5 (\$100 for taxable years beginning after Decem-
6 ber 31, 2009)”,

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

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

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

20 (3) QUALIFIED DISASTER-RELATED PERSONAL
21 CASUALTY LOSSES.—For purposes of this sub-
22 section, the term “qualified disaster-related personal
23 casualty losses” means losses described in section
24 165(c)(3) of the Internal Revenue Code of 1986—

1 (A) which arise in the Hurricane Harvey
2 disaster area on or after August 23, 2017, and
3 which are attributable to Hurricane Harvey,

4 (B) which arise in the Hurricane Irma dis-
5 aster area on or after September 4, 2017, and
6 which are attributable to Hurricane Irma, or

7 (C) which arise in the Hurricane Maria
8 disaster area on or after September 16, 2017,
9 and which are attributable to Hurricane Maria.

10 (c) SPECIAL RULE FOR DETERMINING EARNED IN-
11 COME.—

12 (1) IN GENERAL.—In the case of a qualified in-
13 dividual, if the earned income of the taxpayer for the
14 taxable year which includes the applicable date is
15 less than the earned income of the taxpayer for the
16 preceding taxable year, the credits allowed under
17 sections 24(d) and 32 of the Internal Revenue Code
18 of 1986 may, at the election of the taxpayer, be de-
19 termined by substituting—

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

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

24 In the case of a resident of Puerto Rico determining
25 the credit allowed under section 24(d)(1)(B)(ii) of

1 such Code, the preceding sentence shall be applied
2 by substituting “social security taxes (as defined in
3 section 24(d)(2)(A) of the Internal Revenue Code of
4 1986)” for “earned income” each place it appears.

5 (2) QUALIFIED INDIVIDUAL.—For purposes of
6 this subsection—

7 (A) IN GENERAL.—The term “qualified in-
8 dividual” means any qualified Hurricane Har-
9 vey individual, any qualified Hurricane Irma in-
10 dividual, and any qualified Hurricane Maria in-
11 dividual.

12 (B) QUALIFIED HURRICANE HARVEY INDI-
13 VIDUAL.—The term “qualified Hurricane Har-
14 vey individual” means any individual whose
15 principal place of abode on August 23, 2017,
16 was located—

17 (i) in the Hurricane Harvey disaster
18 zone, or

19 (ii) in the Hurricane Harvey disaster
20 area (but outside the Hurricane Harvey
21 disaster zone) and such individual was dis-
22 placed from such principal place of abode
23 by reason of Hurricane Harvey.

24 (C) QUALIFIED HURRICANE IRMA INDI-
25 VIDUAL.—The term “qualified Hurricane Irma

1 individual” means any individual (other than a
2 qualified Hurricane Harvey individual) whose
3 principal place of abode on September 4, 2017,
4 was located—

5 (i) in the Hurricane Irma disaster
6 zone, or

7 (ii) in the Hurricane Irma disaster
8 area (but outside the Hurricane Irma dis-
9 aster zone) and such individual was dis-
10 placed from such principal place of abode
11 by reason of Hurricane Irma.

12 (D) QUALIFIED HURRICANE MARIA INDI-
13 VIDUAL.—The term “qualified Hurricane Maria
14 individual” means any individual (other than a
15 qualified Hurricane Harvey individual or a
16 qualified Hurricane Irma individual) whose
17 principal place of abode on September 16,
18 2017, was located—

19 (i) in the Hurricane Maria disaster
20 zone, or

21 (ii) in the Hurricane Maria disaster
22 area (but outside the Hurricane Maria dis-
23 aster zone) and such individual was dis-
24 placed from such principal place of abode
25 by reason of Hurricane Maria.

1 (3) APPLICABLE DATE.—For purposes of this
2 subsection, the term “applicable date” means—

3 (A) in the case of a qualified Hurricane
4 Harvey individual, August 23, 2017,

5 (B) in the case of a qualified Hurricane
6 Irma individual, September 4, 2017, and

7 (C) in the case of a qualified Hurricane
8 Maria individual, September 16, 2017.

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

13 (5) SPECIAL RULES.—

14 (A) APPLICATION TO JOINT RETURNS.—
15 For purposes of paragraph (1), in the case of
16 a joint return for a taxable year which includes
17 the applicable date—

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

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

24 (B) UNIFORM APPLICATION OF ELEC-
25 TION.—Any election made under paragraph (1)

1 shall apply with respect to both sections 24(d)
2 and section 32, of the Internal Revenue Code of
3 1986.

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

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

15 (d) APPLICATION OF DISASTER-RELATED TAX RE-
16 LIEF TO POSSESSIONS OF THE UNITED STATES.—

17 (1) PAYMENTS TO UNITED STATES VIRGIN IS-
18 LANDS AND PUERTO RICO.—

19 (A) UNITED STATES VIRGIN ISLANDS.—
20 The Secretary of the Treasury shall pay to the
21 United States Virgin Islands amounts equal to
22 the loss in revenues to the United States Virgin
23 Islands by reason of the provisions of this Act.
24 Such amounts shall be determined by the Sec-
25 retary of the Treasury based on information

1 provided by the government of the United
2 States Virgin Islands.

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

16 (2) DEFINITION AND SPECIAL RULES.—

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

1 (B) TREATMENT OF PAYMENTS.—For pur-
2 poses of section 1324 of title 31, United States
3 Code, the payments under this subsection shall
4 be treated in the same manner as a refund due
5 from a credit provision referred to in subsection
6 (b)(2) of such section.

7 (C) COORDINATION WITH UNITED STATES
8 INCOME TAXES.—In the case of any person
9 with respect to whom a tax benefit is taken into
10 account with respect to the taxes imposed by
11 any possession of the United States by reason
12 of this Act, the Internal Revenue Code of 1986
13 shall be applied with respect to such person
14 without regard to the provisions of this Act
15 which provide such benefit.

16 **SEC. 5. BUDGETARY EFFECTS.**

17 (a) EMERGENCY DESIGNATION.—This Act is des-
18 ignated as an emergency requirement pursuant to section
19 4(g) of the Statutory Pay-As-You-Go Act of 2010 (2
20 U.S.C. 933(g)).

21 (b) DESIGNATION IN SENATE.—In the Senate, this
22 Act is designated as an emergency requirement pursuant
23 to section 403(a) of S. Con. Res. 13 (111th Congress),

1 the concurrent resolution on the budget for fiscal year
2 2010.

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