

Union Calendar No. 300

116TH CONGRESS
2^D SESSION

H. R. 3301

[Report No. 116-379]

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

IN THE HOUSE OF REPRESENTATIVES

JUNE 18, 2019

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

JANUARY 21, 2020

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on June 18, 2019]

A BILL

To amend the Internal Revenue Code of 1986 to extend certain expiring provisions, to provide disaster 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 *“Taxpayer Certainty and Disaster Tax Relief Act of 2019”.*

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

Sec. 1. Short title; etc.

TITLE I—EXTENSION OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Tax Relief and Support for Families and Individuals

Sec. 101. Exclusion from gross income of discharge of qualified principal resi-
dence indebtedness.

Sec. 102. Treatment of mortgage insurance premiums as qualified residence inter-
est.

Sec. 103. Reduction in medical expense deduction floor.

Sec. 104. Deduction of qualified tuition and related expenses.

Sec. 105. Black lung disability trust fund excise tax.

Subtitle B—Incentives for Employment, Economic Growth, and Community
Development

Sec. 111. Indian employment credit.

Sec. 112. Railroad track maintenance credit.

Sec. 113. Mine rescue team training credit.

Sec. 114. 7-year recovery period for motorsports entertainment complexes.

Sec. 115. Accelerated depreciation for business property on Indian reservations.

Sec. 116. Expensing rules for certain productions.

Sec. 117. Empowerment zone tax incentives.

Sec. 118. American Samoa economic development credit.

Subtitle C—Incentives for Energy Production, Efficiency, and Green Economy
Jobs

Sec. 121. Biodiesel and renewable diesel.

Sec. 122. Second generation biofuel producer credit.

Sec. 123. Nonbusiness energy property.

Sec. 124. Qualified fuel cell motor vehicles.

Sec. 125. Alternative fuel refueling property credit.

Sec. 126. 2-wheeled plug-in electric vehicle credit.

Sec. 127. Credit for electricity produced from certain renewable resources.

Sec. 128. Production credit for Indian coal facilities.

Sec. 129. Energy efficient homes credit.

Sec. 130. Special allowance for second generation biofuel plant property.

Sec. 131. Energy efficient commercial buildings deduction.

- Sec. 132. Special rule for sales or dispositions to implement FERC or State electric restructuring policy for qualified electric utilities.*
- Sec. 133. Extension and clarification of excise tax credits relating to alternative fuels.*
- Sec. 134. Oil spill liability trust fund rate.*

Subtitle D—Certain Provisions Expiring at the End of 2019

- Sec. 141. New markets tax credit.*
- Sec. 142. Employer credit for paid family and medical leave.*
- Sec. 143. Work opportunity credit.*
- Sec. 144. Certain provisions related to beer, wine, and distilled spirits.*
- Sec. 145. Look-thru rule for related controlled foreign corporations.*
- Sec. 146. Credit for health insurance costs of eligible individuals.*

TITLE II—ESTATE AND GIFT TAX

- Sec. 201. Reduction of unified credit against estate tax.*

TITLE III—DISASTER TAX RELIEF

- Sec. 301. Definitions.*
- Sec. 302. Special disaster-related rules for use of retirement funds.*
- Sec. 303. Employee retention credit for employers affected by qualified disasters.*
- Sec. 304. Other disaster-related tax relief provisions.*
- Sec. 305. Automatic extension of filing deadlines in case of certain taxpayers affected by Federally declared disasters.*
- Sec. 306. Modification of the tax rate for the excise tax on investment income of private foundations.*
- Sec. 307. Additional low-income housing credit allocations for qualified 2017 and 2018 California disaster areas.*
- Sec. 308. Treatment of certain possessions.*

1 (c) *AMENDMENT OF 1986 CODE.—Except as otherwise*
 2 *expressly provided, whenever in this Act an amendment or*
 3 *repeal is expressed in terms of an amendment to, or repeal*
 4 *of, a section or other provision, the reference shall be consid-*
 5 *ered to be made to a section or other provision of the Inter-*
 6 *nal Revenue Code of 1986.*

1 **TITLE I—EXTENSION OF**
2 **CERTAIN EXPIRING PROVISIONS**
3 **Subtitle A—Tax Relief and Support**
4 **for Families and Individuals**

5 **SEC. 101. EXCLUSION FROM GROSS INCOME OF DISCHARGE**
6 **OF QUALIFIED PRINCIPAL RESIDENCE IN-**
7 **DEBTEDNESS.**

8 (a) *IN GENERAL.*—Section 108(a)(1)(E) is amended
9 by striking “January 1, 2018” each place it appears and
10 inserting “January 1, 2021”.

11 (b) *CONFORMING AMENDMENT.*—Section 108(h)(2) is
12 amended by inserting “and determined without regard to
13 the substitution described in section 163(h)(3)(F)(i)(II)”
14 after “clause (ii) thereof”.

15 (c) *EFFECTIVE DATE.*—The amendments made by this
16 section shall apply to discharges of indebtedness after De-
17 cember 31, 2017.

18 **SEC. 102. TREATMENT OF MORTGAGE INSURANCE PRE-**
19 **MIUMS AS QUALIFIED RESIDENCE INTEREST.**

20 (a) *IN GENERAL.*—Section 163(h)(3)(E)(iv)(I) is
21 amended by striking “December 31, 2017” and inserting
22 “December 31, 2020”.

23 (b) *EFFECTIVE DATE.*—The amendment made by this
24 section shall apply to amounts paid or incurred after De-
25 cember 31, 2017.

1 **SEC. 103. REDUCTION IN MEDICAL EXPENSE DEDUCTION**
2 **FLOOR.**

3 (a) *IN GENERAL.*—Section 213(f) is amended to read
4 as follows:

5 “(f) *TEMPORARY SPECIAL RULE.*—In the case of tax-
6 able years beginning before January 1, 2021, subsection (a)
7 shall be applied with respect to a taxpayer by substituting
8 ‘7.5 percent’ for ‘10 percent.’”.

9 (b) *ALTERNATIVE MINIMUM TAX.*—Section 56(b)(1) is
10 amended by striking subparagraph (B) and by redesignig-
11 nating subparagraphs (C), (D), (E), and (F), as subpara-
12 graphs (B), (C), (D), and (E), respectively.

13 (c) *EFFECTIVE DATE.*—The amendments made by this
14 section shall apply to taxable years ending after December
15 31, 2018.

16 **SEC. 104. DEDUCTION OF QUALIFIED TUITION AND RE-**
17 **LATED EXPENSES.**

18 (a) *IN GENERAL.*—Section 222(e) is amended by strik-
19 ing “December 31, 2017” and inserting “December 31,
20 2020”.

21 (b) *EFFECTIVE DATE.*—The amendment made by this
22 section shall apply to taxable years beginning after Decem-
23 ber 31, 2017.

1 **SEC. 105. BLACK LUNG DISABILITY TRUST FUND EXCISE**
2 **TAX.**

3 (a) *IN GENERAL.*—Section 4121(e)(2)(A) is amended
4 by striking “December 31, 2018” and inserting “December
5 31, 2020”.

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

10 **Subtitle B—Incentives for Employ-**
11 **ment, Economic Growth, and**
12 **Community Development**

13 **SEC. 111. INDIAN EMPLOYMENT CREDIT.**

14 (a) *IN GENERAL.*—Section 45A(f) is amended by strik-
15 ing “December 31, 2017” and inserting “December 31,
16 2020”.

17 (b) *EFFECTIVE DATE.*—The amendment made by this
18 section shall apply to taxable years beginning after Decem-
19 ber 31, 2017.

20 **SEC. 112. RAILROAD TRACK MAINTENANCE CREDIT.**

21 (a) *IN GENERAL.*—Section 45G(f) is amended by strik-
22 ing “January 1, 2018” and inserting “January 1, 2021”.

23 (b) *SAFE HARBOR ASSIGNMENTS.*—Any assignment,
24 including related expenditures paid or incurred, under sec-
25 tion 45G(b)(2) of the Internal Revenue Code of 1986 for
26 a taxable year beginning on or after January 1, 2018, and

1 before January 1, 2019, shall be treated as effective as of
2 the close of such taxable year if made pursuant to a written
3 agreement entered into no later than 90 days following the
4 date of the enactment of this Act.

5 (c) *EFFECTIVE DATE.*—The amendment made by this
6 section shall apply to expenditures paid or incurred during
7 taxable years beginning after December 31, 2017.

8 **SEC. 113. MINE RESCUE TEAM TRAINING CREDIT.**

9 (a) *IN GENERAL.*—Section 45N(e) is amended by
10 striking “December 31, 2017” and inserting “December 31,
11 2020”.

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

15 **SEC. 114. 7-YEAR RECOVERY PERIOD FOR MOTORSPORTS**
16 **ENTERTAINMENT COMPLEXES.**

17 (a) *IN GENERAL.*—Section 168(i)(15)(D) is amended
18 by striking “December 31, 2017” and inserting “December
19 31, 2020”.

20 (b) *EFFECTIVE DATE.*—The amendment made by this
21 section shall apply to property placed in service after De-
22 cember 31, 2017.

1 **SEC. 115. ACCELERATED DEPRECIATION FOR BUSINESS**
2 **PROPERTY ON INDIAN RESERVATIONS.**

3 (a) *IN GENERAL.*—Section 168(j)(9) is amended by
4 striking “December 31, 2017” and inserting “December 31,
5 2020”.

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

9 **SEC. 116. EXPENSING RULES FOR CERTAIN PRODUCTIONS.**

10 (a) *IN GENERAL.*—Section 181(g) is amended by strik-
11 ing “December 31, 2017” and inserting “December 31,
12 2020”.

13 (b) *EFFECTIVE DATE.*—The amendment made by this
14 section shall apply to productions commencing after Decem-
15 ber 31, 2017.

16 **SEC. 117. EMPOWERMENT ZONE TAX INCENTIVES.**

17 (a) *IN GENERAL.*—Section 1391(d)(1)(A)(i) is amend-
18 ed by striking “December 31, 2017” and inserting “Decem-
19 ber 31, 2020”.

20 (b) *TREATMENT OF CERTAIN TERMINATION DATES*
21 *SPECIFIED IN NOMINATIONS.*—In the case of a designation
22 of an empowerment zone the nomination for which included
23 a termination date which is contemporaneous with the date
24 specified in subparagraph (A)(i) of section 1391(d)(1) of
25 the Internal Revenue Code of 1986 (as in effect before the
26 enactment of this Act), subparagraph (B) of such section

1 *shall not apply with respect to such designation if, after*
2 *the date of the enactment of this section, the entity which*
3 *made such nomination amends the nomination to provide*
4 *for a new termination date in such manner as the Secretary*
5 *of the Treasury (or the Secretary’s designee) may provide.*

6 (c) *EFFECTIVE DATE.*—*The amendment made by sub-*
7 *section (a) shall apply to taxable years beginning after De-*
8 *cember 31, 2017.*

9 **SEC. 118. AMERICAN SAMOA ECONOMIC DEVELOPMENT**

10 **CREDIT.**

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

13 (1) *by striking “January 1, 2018” each place it*
14 *appears and inserting “January 1, 2021”,*

15 (2) *by striking “first 12 taxable years” in para-*
16 *graph (1) and inserting “first 15 taxable years”,*

17 (3) *by striking “first 6 taxable years” in para-*
18 *graph (2) and inserting “first 9 taxable years”, and*

19 (4) *by adding at the end the following flush sen-*
20 *tence:*

21 *“In the case of a corporation described in subsection (a)(2),*
22 *the Internal Revenue Code of 1986 shall be applied and ad-*
23 *ministered without regard to the amendments made by sec-*
24 *tion 401(d)(1) of the Tax Technical Corrections Act of*
25 *2018.”.*

1 (b) *CONFORMING AMENDMENT.*—Section 119(e) of di-
2 vision A of the Tax Relief and Health Care Act of 2006
3 is amended by inserting “(as in effect before its repeal)”
4 after “section 199 of the Internal Revenue Code of 1986”.

5 (c) *EFFECTIVE DATE.*—The amendments made by this
6 section shall apply to taxable years beginning after Decem-
7 ber 31, 2017.

8 **Subtitle C—Incentives for Energy**
9 **Production, Efficiency, and**
10 **Green Economy Jobs**

11 **SEC. 121. BIODIESEL AND RENEWABLE DIESEL.**

12 (a) *INCOME TAX CREDIT.*—

13 (1) *IN GENERAL.*—Section 40A(g) is amended by
14 striking “December 31, 2017” and inserting “Decem-
15 ber 31, 2020”.

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

19 (b) *EXCISE TAX INCENTIVES.*—

20 (1) *TERMINATION.*—

21 (A) *IN GENERAL.*—Section 6426(c)(6) is
22 amended by striking “December 31, 2017” and
23 inserting “December 31, 2020”.

1 (B) *PAYMENTS.*—Section 6427(e)(6)(B) is
2 amended by striking “December 31, 2017” and
3 inserting “December 31, 2020”.

4 (2) *EFFECTIVE DATE.*—The amendments made
5 by this subsection shall apply to fuel sold or used
6 after December 31, 2017.

7 (3) *SPECIAL RULE.*—Notwithstanding any other
8 provision of law, in the case of any biodiesel mixture
9 credit properly determined under section 6426(c) of
10 the Internal Revenue Code of 1986 for the period be-
11 ginning on January 1, 2018, and ending with the
12 close of the last calendar quarter beginning before the
13 date of the enactment of this Act, such credit shall be
14 allowed, and any refund or payment attributable to
15 such credit (including any payment under section
16 6427(e) of such Code) shall be made, only in such
17 manner as the Secretary of the Treasury (or the Sec-
18 retary’s delegate) shall provide. Such Secretary shall
19 issue guidance within 30 days after the date of the
20 enactment of this Act providing for a one-time sub-
21 mission of claims covering periods described in the
22 preceding sentence. Such guidance shall provide for a
23 180-day period for the submission of such claims (in
24 such manner as prescribed by such Secretary) to
25 begin not later than 30 days after such guidance is

1 (b) *EFFECTIVE DATE.*—*The amendment made by this*
2 *section shall apply to vehicles acquired after December 31,*
3 *2017.*

4 **SEC. 127. CREDIT FOR ELECTRICITY PRODUCED FROM CER-**
5 **TAIN RENEWABLE RESOURCES.**

6 (a) *IN GENERAL.*—*The following provisions of section*
7 *45(d) are each amended by striking “January 1, 2018”*
8 *each place it appears and inserting “January 1, 2021”:*

9 (1) *Paragraph (2)(A).*

10 (2) *Paragraph (3)(A).*

11 (3) *Paragraph (4)(B).*

12 (4) *Paragraph (6).*

13 (5) *Paragraph (7).*

14 (6) *Paragraph (9).*

15 (7) *Paragraph (11)(B).*

16 (b) *EXTENSION OF ELECTION TO TREAT QUALIFIED*
17 *FACILITIES AS ENERGY PROPERTY.*—*Section*
18 *48(a)(5)(C)(ii) is amended by striking “January 1, 2018*
19 *(January 1, 2020, in the case of any facility which is de-*
20 *scribed in paragraph (1) of section 45(d))” and inserting*
21 *“January 1, 2021”.*

22 (c) *APPLICATION OF EXTENSION TO WIND FACILI-*
23 *TIES.*—

1 **SEC. 130. SPECIAL ALLOWANCE FOR SECOND GENERATION**
2 **BIOFUEL PLANT PROPERTY.**

3 (a) *IN GENERAL.*—Section 168(l)(2)(D) is amended by
4 striking “January 1, 2018” and inserting “January 1,
5 2021”.

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

9 **SEC. 131. ENERGY EFFICIENT COMMERCIAL BUILDINGS DE-**
10 **DUCTION.**

11 (a) *IN GENERAL.*—Section 179D(h) is amended by
12 striking “December 31, 2017” and inserting “December 31,
13 2020”.

14 (b) *EFFECTIVE DATES.*—The amendment made by
15 subsection (a) shall apply to property placed in service after
16 December 31, 2017.

17 **SEC. 132. SPECIAL RULE FOR SALES OR DISPOSITIONS TO**
18 **IMPLEMENT FERC OR STATE ELECTRIC RE-**
19 **STRUCTURING POLICY FOR QUALIFIED ELEC-**
20 **TRIC UTILITIES.**

21 (a) *IN GENERAL.*—Section 451(k)(3) is amended by
22 striking “January 1, 2018” and inserting “January 1,
23 2021”.

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

1 **SEC. 133. EXTENSION AND CLARIFICATION OF EXCISE TAX**
2 **CREDITS RELATING TO ALTERNATIVE FUELS.**

3 (a) *EXTENSION.*—

4 (1) *IN GENERAL.*—Sections 6426(d)(5) and
5 6426(e)(3) are each amended by striking “December
6 31, 2017” and inserting “December 31, 2020”.

7 (2) *OUTLAY PAYMENTS FOR ALTERNATIVE*
8 *FUELS.*—Section 6427(e)(6)(C) is amended by strik-
9 ing “December 31, 2017” and inserting “December
10 31, 2020”.

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

1 180-day period for the submission of such claims (in
2 such manner as prescribed by such Secretary) to
3 begin not later than 30 days after such guidance is
4 issued. Such claims shall be paid by such Secretary
5 not later than 60 days after receipt. If such Secretary
6 has not paid pursuant to a claim filed under this
7 subsection within 60 days after the date of the filing
8 of such claim, the claim shall be paid with interest
9 from such date determined by using the overpayment
10 rate and method under section 6621 of such Code.

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

14 (b) *CLARIFICATION OF RULES REGARDING ALTER-*
15 *NATIVE FUEL MIXTURE CREDIT.*—

16 (1) *IN GENERAL.*—Paragraph (2) of section
17 6426(e) is amended by striking “mixture of alter-
18 native fuel” and inserting “mixture of alternative fuel
19 (other than a fuel described in subparagraph (A), (C),
20 or (F) of subsection (d)(2))”.

21 (2) *EFFECTIVE DATE.*—The amendment made by
22 this section shall apply to—

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

1 (B) fuel sold or used before such date of en-
2 actment, but only to the extent that credits and
3 claims of credit under section 6426(e) of the In-
4 ternal Revenue Code of 1986 with respect to such
5 sale or use have not been paid or allowed as of
6 such date.

7 **SEC. 134. OIL SPILL LIABILITY TRUST FUND RATE.**

8 (a) *IN GENERAL.*—Section 4611(f)(2) is amended by
9 striking “December 31, 2018” and inserting “December 31,
10 2020”.

11 (b) *EFFECTIVE DATE.*—The amendment made by this
12 section shall apply on and after the first day of the first
13 calendar month beginning after the date of the enactment
14 of this Act.

15 **Subtitle D—Certain Provisions**
16 **Expiring at the End of 2019**

17 **SEC. 141. NEW MARKETS TAX CREDIT.**

18 (a) *IN GENERAL.*—Section 45D(f)(1) is amended by
19 striking “and” at the end of subparagraph (F), by striking
20 the period at the end of subparagraph (G) and inserting
21 “, and”, and by adding at the end the following new sub-
22 paragraph:

23 “(H) \$5,000,000,000 for 2020.”.

1 (b) *CARRYOVER OF UNUSED LIMITATION.*—Section
2 45D(f)(3) is amended by striking “2024” and inserting
3 “2025”.

4 (c) *EFFECTIVE DATE.*—The amendments made by this
5 section shall apply to calendar years beginning after De-
6 cember 31, 2019.

7 **SEC. 142. EMPLOYER CREDIT FOR PAID FAMILY AND MED-**
8 **ICAL LEAVE.**

9 (a) *IN GENERAL.*—Section 45S(i) is amended by strik-
10 ing “December 31, 2019” and inserting “December 31,
11 2020”.

12 (b) *EFFECTIVE DATE.*—The amendment made by this
13 section shall apply to wages paid in taxable years begin-
14 ning after December 31, 2019.

15 **SEC. 143. WORK OPPORTUNITY CREDIT.**

16 (a) *IN GENERAL.*—Section 51(c)(4) is amended by
17 striking “December 31, 2019” and inserting “December 31,
18 2020”.

19 (b) *EFFECTIVE DATE.*—The amendment made by this
20 section shall apply to individuals who begin work for the
21 employer after December 31, 2019.

22 **SEC. 144. CERTAIN PROVISIONS RELATED TO BEER, WINE,**
23 **AND DISTILLED SPIRITS.**

24 (a) *EXEMPTION FOR AGING PROCESS OF BEER, WINE,*
25 *AND DISTILLED SPIRITS.*—

1 (1) *IN GENERAL.*—Section 263A(f)(4)(B) is
2 amended by striking “December 31, 2019” and insert-
3 ing “December 31, 2020”.

4 (2) *EFFECTIVE DATE.*—The amendment made by
5 this subsection shall apply to interest costs paid or
6 accrued after December 31, 2019.

7 (b) *REDUCED RATE OF EXCISE TAX ON BEER.*—

8 (1) *IN GENERAL.*—Paragraphs (1)(C) and (2)(A)
9 of section 5051(a) are each amended by striking
10 “January 1, 2020” and inserting “January 1, 2021”.

11 (2) *EFFECTIVE DATE.*—The amendments made
12 by this subsection shall apply to beer removed after
13 December 31, 2019.

14 (c) *TRANSFER OF BEER BETWEEN BONDED FACILI-*
15 *TIES.*—

16 (1) *IN GENERAL.*—Section 5414(b)(3) is amend-
17 ed by striking “December 31, 2019” and inserting
18 “December 31, 2020”.

19 (2) *EFFECTIVE DATE.*—The amendment made by
20 this subsection shall apply to calendar quarters begin-
21 ning after December 31, 2019.

22 (d) *REDUCED RATE OF EXCISE TAX ON CERTAIN*
23 *WINE.*—

1 (1) *IN GENERAL.*—Section 5041(c)(8)(A) is
2 amended by striking “January 1, 2020” and insert-
3 ing “January 1, 2021”.

4 (2) *CONFORMING AMENDMENT.*—The heading of
5 section 5041(c)(8) is amended by striking “SPECIAL
6 RULE FOR 2018 AND 2019” and inserting “TEM-
7 PORARY SPECIAL RULE”.

8 (3) *EFFECTIVE DATE.*—The amendments made
9 by this subsection shall apply to wine removed after
10 December 31, 2019.

11 (e) *ADJUSTMENT OF ALCOHOL CONTENT LEVEL FOR*
12 *APPLICATION OF EXCISE TAXES.*—

13 (1) *IN GENERAL.*—Paragraphs (1) and (2) of
14 section 5041(b) are each amended by striking “Janu-
15 ary 1, 2020” and inserting “January 1, 2021”.

16 (2) *EFFECTIVE DATE.*—The amendments made
17 by this subsection shall apply to wine removed after
18 December 31, 2019.

19 (f) *DEFINITION OF MEAD AND LOW ALCOHOL BY VOL-*
20 *UME WINE.*—

21 (1) *IN GENERAL.*—Section 5041(h)(3) is amend-
22 ed by striking “December 31, 2019” and inserting
23 “December 31, 2020”.

1 (2) *EFFECTIVE DATE.*—*The amendment made by*
2 *this subsection shall apply to wine removed after De-*
3 *cember 31, 2019.*

4 (g) *REDUCED RATE OF EXCISE TAX ON CERTAIN DIS-*
5 *TILLED SPIRITS.*—

6 (1) *IN GENERAL.*—*Section 5001(c)(4) is amend-*
7 *ed by striking “December 31, 2019” and inserting*
8 *“December 31, 2020”.*

9 (2) *CONFORMING AMENDMENT.*—*The heading of*
10 *section 5001(c) is amended by striking “REDUCED*
11 *RATE FOR 2018 AND 2019” and inserting “TEM-*
12 *PORARY REDUCED RATE”.*

13 (3) *EFFECTIVE DATE.*—*The amendments made*
14 *by this subsection shall apply to distilled spirits re-*
15 *moved after December 31, 2019.*

16 (h) *BULK DISTILLED SPIRITS.*—

17 (1) *IN GENERAL.*—*Section 5212 is amended by*
18 *striking “January 1, 2020” and inserting “January*
19 *1, 2021”.*

20 (2) *EFFECTIVE DATE.*—*The amendment made by*
21 *this subsection shall apply to distilled spirits trans-*
22 *ferred in bond after December 31, 2019.*

23 (i) *SIMPLIFICATION OF RULES REGARDING RECORDS,*
24 *STATEMENTS, AND RETURNS.*—

1 (1) *IN GENERAL.*—Section 5555(a) is amended
2 by striking “January 1, 2020” and inserting “Janu-
3 ary 1, 2021”.

4 (2) *EFFECTIVE DATE.*—The amendment made by
5 this subsection shall apply to calendar quarters begin-
6 ning after December 31, 2019.

7 **SEC. 145. LOOK-THRU RULE FOR RELATED CONTROLLED**
8 **FOREIGN CORPORATIONS.**

9 (a) *IN GENERAL.*—Section 954(c)(6)(C) is amended by
10 striking “January 1, 2020” and inserting “January 1,
11 2021”.

12 (b) *EFFECTIVE DATE.*—The amendment made by this
13 section shall apply to taxable years of foreign corporations
14 beginning after December 31, 2019, and to taxable years
15 of United States shareholders with or within which such
16 taxable years of foreign corporations end.

17 **SEC. 146. CREDIT FOR HEALTH INSURANCE COSTS OF ELI-**
18 **GIBLE INDIVIDUALS.**

19 (a) *IN GENERAL.*—Section 35(b)(1)(B) is amended by
20 striking “January 1, 2020” and inserting “January 1,
21 2021”.

22 (b) *EFFECTIVE DATE.*—The amendment made by this
23 section shall apply to months beginning after December 31,
24 2019.

1 **TITLE II—ESTATE AND GIFT TAX**

2 **SEC. 201. REDUCTION OF UNIFIED CREDIT AGAINST ES-**
3 **TATE TAX.**

4 (a) *IN GENERAL.*—Section 2010(c)(3)(C) is amended
5 by striking “January 1, 2026” and inserting “January 1,
6 2023”.

7 (b) *EFFECTIVE DATE.*—The amendment made by this
8 section shall apply to estates of decedents dying and gifts
9 made after December 31, 2022.

10 **TITLE III—DISASTER TAX RELIEF**

11 **SEC. 301. DEFINITIONS.**

12 *For purposes of this title—*

13 (1) *QUALIFIED DISASTER AREA.*—

14 (A) *IN GENERAL.*—The term “qualified dis-
15 aster area” means any area with respect to
16 which a major disaster was declared, during the
17 period beginning on January 1, 2018, and end-
18 ing on the date which is 60 days after the date
19 of the enactment of this Act, by the President
20 under section 401 of the Robert T. Stafford Dis-
21 aster Relief and Emergency Assistance Act if the
22 incident period of the disaster with respect to
23 which such declaration is made begins on or be-
24 fore the date of the enactment of this Act.

1 (B) *DENIAL OF DOUBLE BENEFIT.*—Such
2 term shall not include the California wildfire
3 disaster area (as defined in section 20101 of sub-
4 division 2 of division B of the Bipartisan Budget
5 Act of 2018).

6 (2) *QUALIFIED DISASTER ZONE.*—The term
7 “qualified disaster zone” means that portion of any
8 qualified disaster area which was determined by the
9 President, during the period beginning on January 1,
10 2018, and ending on the date which is 60 days after
11 the date of the enactment of this Act, to warrant indi-
12 vidual or individual and public assistance from the
13 Federal Government under the Robert T. Stafford
14 Disaster Relief and Emergency Assistance Act by rea-
15 son of the qualified disaster with respect to such dis-
16 aster area.

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

21 (4) *INCIDENT PERIOD.*—The term “incident pe-
22 riod” means, with respect to any qualified disaster,
23 the period specified by the Federal Emergency Man-
24 agement Agency as the period during which such dis-
25 aster occurred (except that for purposes of this title

1 *ternal Revenue Code of 1986 merely because the*
2 *plan treats such distribution as a qualified dis-*
3 *aster distribution, unless the aggregate amount*
4 *of such distributions from all plans maintained*
5 *by the employer (and any member of any con-*
6 *trolled group which includes the employer) to*
7 *such individual exceeds \$100,000.*

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

13 *(D) SPECIAL RULE FOR INDIVIDUALS AF-*
14 *FECTED BY MORE THAN ONE DISASTER.—The*
15 *limitation of subparagraph (A) shall be applied*
16 *separately with respect to distributions made*
17 *with respect to each qualified disaster.*

18 *(3) AMOUNT DISTRIBUTED MAY BE REPAID.—*

19 *(A) IN GENERAL.—Any individual who re-*
20 *ceives a qualified disaster distribution may, at*
21 *any time during the 3-year period beginning on*
22 *the day after the date on which such distribution*
23 *was received, make 1 or more contributions in*
24 *an aggregate amount not to exceed the amount*
25 *of such distribution to an eligible retirement*

1 *plan of which such individual is a beneficiary*
2 *and to which a rollover contribution of such dis-*
3 *tribution could be made under section 402(c),*
4 *403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), of*
5 *the Internal Revenue Code of 1986, as the case*
6 *may be.*

7 *(B) TREATMENT OF REPAYMENTS OF DIS-*
8 *TRIBUTIONS FROM ELIGIBLE RETIREMENT PLANS*
9 *OTHER THAN IRAS.—For purposes of the Inter-*
10 *nal Revenue Code of 1986, if a contribution is*
11 *made pursuant to subparagraph (A) with respect*
12 *to a qualified disaster distribution from an eligi-*
13 *ble retirement plan other than an individual re-*
14 *irement plan, then the taxpayer shall, to the ex-*
15 *tent of the amount of the contribution, be treated*
16 *as having received the qualified disaster distribu-*
17 *tion in an eligible rollover distribution (as de-*
18 *finied in section 402(c)(4) of such Code) and as*
19 *having transferred the amount to the eligible re-*
20 *irement plan in a direct trustee to trustee trans-*
21 *fer within 60 days of the distribution.*

22 *(C) TREATMENT OF REPAYMENTS OF DIS-*
23 *TRIBUTIONS FROM IRAS.—For purposes of the*
24 *Internal Revenue Code of 1986, if a contribution*
25 *is made pursuant to subparagraph (A) with re-*

1 *spect to a qualified disaster distribution from an*
2 *individual retirement plan (as defined by section*
3 *7701(a)(37) of such Code), then, to the extent of*
4 *the amount of the contribution, the qualified dis-*
5 *aster distribution shall be treated as a distribu-*
6 *tion described in section 408(d)(3) of such Code*
7 *and as having been transferred to the eligible re-*
8 *tirement plan in a direct trustee to trustee trans-*
9 *fer within 60 days of the distribution.*

10 (4) *DEFINITIONS.—For purposes of this sub-*
11 *section—*

12 (A) *QUALIFIED DISASTER DISTRIBUTION.—*
13 *Except as provided in paragraph (2), the term*
14 *“qualified disaster distribution” means any dis-*
15 *tribution from an eligible retirement plan*
16 *made—*

17 (i) *on or after the first day of the inci-*
18 *dent period of a qualified disaster and be-*
19 *fore the date which is 180 days after the*
20 *date of the enactment of this Act, and*

21 (ii) *to an individual whose principal*
22 *place of abode at any time during the inci-*
23 *dent period of such qualified disaster is lo-*
24 *cated in the qualified disaster area with re-*
25 *spect to such qualified disaster and who has*

1 *sustained an economic loss by reason of*
2 *such qualified disaster.*

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

7 (5) *INCOME INCLUSION SPREAD OVER 3-YEAR PE-*
8 *RIOD.*—

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

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

20 (6) *SPECIAL RULES.*—

21 (A) *EXEMPTION OF DISTRIBUTIONS FROM*
22 *TRUSTEE TO TRUSTEE TRANSFER AND WITH-*
23 *HOLDING RULES.*—*For purposes of sections*
24 *401(a)(31), 402(f), and 3405 of the Internal Rev-*
25 *enue Code of 1986, qualified disaster distribu-*

1 *tions shall not be treated as eligible rollover dis-*
2 *tributions.*

3 (B) *QUALIFIED DISASTER DISTRIBUTIONS*
4 *TREATED AS MEETING PLAN DISTRIBUTION RE-*
5 *QUIREMENTS.—For purposes the Internal Rev-*
6 *enue Code of 1986, a qualified disaster distribu-*
7 *tion shall be treated as meeting the requirements*
8 *of sections 401(k)(2)(B)(i), 403(b)(7)(A)(ii),*
9 *403(b)(11), and 457(d)(1)(A) of such Code.*

10 (b) *RECONTRIBUTIONS OF WITHDRAWALS FOR HOME*
11 *PURCHASES.—*

12 (1) *RECONTRIBUTIONS.—*

13 (A) *IN GENERAL.—Any individual who re-*
14 *ceived a qualified distribution may, during the*
15 *applicable period, make 1 or more contributions*
16 *in an aggregate amount not to exceed the*
17 *amount of such qualified distribution to an eligi-*
18 *ble retirement plan (as defined in section*
19 *402(c)(8)(B) of the Internal Revenue Code of*
20 *1986) of which such individual is a beneficiary*
21 *and to which a rollover contribution of such dis-*
22 *tribution could be made under section 402(c),*
23 *403(a)(4), 403(b)(8), or 408(d)(3), of such Code,*
24 *as the case may be.*

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

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

8 (A) *described in section 401(k)(2)(B)(i)(IV),*
9 *403(b)(7)(A)(ii) (but only to the extent such dis-*
10 *tribution relates to financial hardship),*
11 *403(b)(11)(B), or 72(t)(2)(F), of the Internal*
12 *Revenue Code of 1986,*

13 (B) *which was to be used to purchase or*
14 *construct a principal residence in a qualified*
15 *disaster area, but which was not so used on ac-*
16 *count of the qualified disaster with respect to*
17 *such area, and*

18 (C) *which was received during the period*
19 *beginning on the date which is 180 days before*
20 *the first day of the incident period of such quali-*
21 *fied disaster and ending on the date which is 30*
22 *days after the last day of such incident period.*

23 (3) *APPLICABLE PERIOD.*—*For purposes of this*
24 *subsection, the term “applicable period” means, in the*
25 *case of a principal residence in a qualified disaster*

1 *area with respect to any qualified disaster, the period*
2 *beginning on the first day of the incident period of*
3 *such qualified disaster and ending on the date which*
4 *is 180 days after the date of the enactment of this Act.*

5 *(c) LOANS FROM QUALIFIED PLANS.—*

6 *(1) INCREASE IN LIMIT ON LOANS NOT TREATED*
7 *AS DISTRIBUTIONS.—In the case of any loan from a*
8 *qualified employer plan (as defined under section*
9 *72(p)(4) of the Internal Revenue Code of 1986) to a*
10 *qualified individual made during the 180-day period*
11 *beginning on the date of the enactment of this Act—*

12 *(A) clause (i) of section 72(p)(2)(A) of such*
13 *Code shall be applied by substituting “\$100,000”*
14 *for “\$50,000”, and*

15 *(B) clause (ii) of such section shall be ap-*
16 *plied by substituting “the present value of the*
17 *nonforfeitable accrued benefit of the employee*
18 *under the plan” for “one-half of the present*
19 *value of the nonforfeitable accrued benefit of the*
20 *employee under the plan”.*

21 *(2) DELAY OF REPAYMENT.—In the case of a*
22 *qualified individual (with respect to any qualified*
23 *disaster) with an outstanding loan (on or after the*
24 *first day of the incident period of such qualified dis-*
25 *aster) from a qualified employer plan (as defined in*

1 *section 72(p)(4) of the Internal Revenue Code of*
2 *1986)—*

3 *(A) if the due date pursuant to subpara-*
4 *graph (B) or (C) of section 72(p)(2) of such Code*
5 *for any repayment with respect to such loan oc-*
6 *curs during the period beginning on the first day*
7 *of the incident period of such qualified disaster*
8 *and ending on the date which is 180 days after*
9 *the last day of such incident period, such due*
10 *date shall be delayed for 1 year (or, if later,*
11 *until the date which is 180 days after the date*
12 *of the enactment of this Act),*

13 *(B) any subsequent repayments with respect*
14 *to any such loan shall be appropriately adjusted*
15 *to reflect the delay in the due date under sub-*
16 *paragraph (A) and any interest accruing during*
17 *such delay, and*

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

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

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

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

7 (d) *PROVISIONS RELATING TO PLAN AMENDMENTS.*—

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

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

15 (A) *IN GENERAL.*—This subsection shall
16 apply to any amendment to any plan or annu-
17 ity contract which is made—

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

23 (ii) on or before the last day of the first
24 plan year beginning on or after January 1,

1 2020, or such later date as the Secretary
2 may prescribe.

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

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

10 (i) *during the period—*

11 (I) *beginning on the date that this*
12 *section or the regulation described in*
13 *subparagraph (A)(i) takes effect (or in*
14 *the case of a plan or contract amend-*
15 *ment not required by this section or*
16 *such regulation, the effective date speci-*
17 *fied by the plan), and*

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

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

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

1 **SEC. 303. EMPLOYEE RETENTION CREDIT FOR EMPLOYERS**
2 **AFFECTED BY QUALIFIED DISASTERS.**

3 (a) *IN GENERAL.*—For purposes of section 38 of the
4 *Internal Revenue Code of 1986, in the case of an eligible*
5 *employer, the 2018 qualified disaster employee retention*
6 *credit shall be treated as a credit listed at the end of sub-*
7 *section (b) of such section. For purposes of this subsection,*
8 *the 2018 qualified disaster employee retention credit for*
9 *any taxable year is an amount equal to 40 percent of the*
10 *qualified wages with respect to each eligible employee of*
11 *such employer for such taxable year. The amount of quali-*
12 *fied wages with respect to any employee which may be taken*
13 *into account under this subsection by the employer for any*
14 *taxable year shall not exceed \$6,000 (reduced by the amount*
15 *of qualified wages with respect to such employee which may*
16 *be so taken into account for any prior taxable year).*

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

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

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

25 (B) *with respect to whom the trade or busi-*
26 *ness described in subparagraph (A) is inoperable*

1 *at any time during the period beginning on the*
2 *first day of the incident period of such qualified*
3 *disaster and ending on the date of the enactment*
4 *of this Act, as a result of damage sustained by*
5 *reason of such qualified disaster.*

6 (2) *ELIGIBLE EMPLOYEE.—The term “eligible*
7 *employee” means with respect to an eligible employer*
8 *an employee whose principal place of employment*
9 *with such eligible employer (determined immediately*
10 *before the qualified disaster referred to in paragraph*
11 *(1)) was in the qualified disaster zone referred to in*
12 *such paragraph.*

13 (3) *QUALIFIED WAGES.—The term “qualified*
14 *wages” means wages (as defined in section 51(c)(1) of*
15 *the Internal Revenue Code of 1986, but without re-*
16 *gard to section 3306(b)(2)(B) of such Code) paid or*
17 *incurred by an eligible employer with respect to an*
18 *eligible employee at any time on or after the date on*
19 *which the trade or business described in paragraph*
20 *(1) first became inoperable at the principal place of*
21 *employment of the employee (determined immediately*
22 *before the qualified disaster referred to in such para-*
23 *graph) and before the earlier of—*

1 (A) the date on which such trade or business
2 has resumed significant operations at such prin-
3 cipal place of employment, or

4 (B) the date which 150 days after the last
5 day of the incident period of the qualified dis-
6 aster referred to in paragraph (1).

7 Such term shall include wages paid without regard to
8 whether the employee performs no services, performs
9 services at a different place of employment than such
10 principal place of employment, or performs services
11 at such principal place of employment before signifi-
12 cant operations have resumed.

13 (c) *CERTAIN RULES TO APPLY.*—For purposes of this
14 subsection, rules similar to the rules of sections 51(i)(1),
15 52, and 280C(a), of the Internal Revenue Code of 1986,
16 shall apply.

17 (d) *EMPLOYEE NOT TAKEN INTO ACCOUNT MORE*
18 *THAN ONCE.*—An employee shall not be treated as an eligi-
19 ble employee for purposes of this subsection for any period
20 with respect to any employer if such employer is allowed
21 a credit under section 51 of the Internal Revenue Code of
22 1986 with respect to such employee for such period.

1 **SEC. 304. OTHER DISASTER-RELATED TAX RELIEF PROVI-**
2 **SIONS.**

3 (a) *TEMPORARY INCREASE IN LIMITATION ON QUALI-*
4 *FIED CONTRIBUTIONS.—*

5 (1) *SUSPENSION OF CURRENT LIMITATION.—Ex-*
6 *cept as otherwise provided in paragraph (2), qualified*
7 *contributions shall be disregarded in applying sub-*
8 *sections (b) and (d) of section 170 of the Internal*
9 *Revenue Code of 1986.*

10 (2) *APPLICATION OF INCREASED LIMITATION.—*
11 *For purposes of section 170 of the Internal Revenue*
12 *Code of 1986—*

13 (A) *INDIVIDUALS.—In the case of an indi-*
14 *vidual—*

15 (i) *LIMITATION.—Any qualified con-*
16 *tribution shall be allowed as a deduction*
17 *only to the extent that the aggregate of such*
18 *contributions does not exceed the excess of*
19 *the taxpayer's contribution base (as defined*
20 *in subparagraph (H) of section 170(b)(1) of*
21 *such Code) over the amount of all other*
22 *charitable contributions allowed under sec-*
23 *tion 170(b)(1) of such Code.*

24 (ii) *CARRYOVER.—If the aggregate*
25 *amount of qualified contributions made in*
26 *the contribution year (within the meaning*

1 of section 170(d)(1) of such Code) exceeds
2 the limitation of clause (i), such excess shall
3 be added to the excess described in section
4 170(b)(1)(G)(ii).

5 (B) CORPORATIONS.—In the case of a cor-
6 poration—

7 (i) LIMITATION.—Any qualified con-
8 tribution shall be allowed as a deduction
9 only to the extent that the aggregate of such
10 contributions does not exceed the excess of
11 the taxpayer's taxable income (as deter-
12 mined under paragraph (2) of section
13 170(b) of such Code) over the amount of all
14 other charitable contributions allowed under
15 such paragraph.

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

24 (3) QUALIFIED CONTRIBUTIONS.—

1 (A) *IN GENERAL.*—For purposes of this sub-
2 section, the term “qualified contribution” means
3 any charitable contribution (as defined in sec-
4 tion 170(c) of the Internal Revenue Code of
5 1986) if—

6 (i) such contribution—

7 (I) is paid, during the period be-
8 ginning on January 1, 2018, and end-
9 ing on the date which is 60 days after
10 the date of the enactment of this Act,
11 in cash to an organization described in
12 section 170(b)(1)(A) of such Code, and

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

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

21 (iii) the taxpayer has elected the appli-
22 cation of this subsection with respect to such
23 contribution.

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

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

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

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

16 (b) *SPECIAL RULES FOR QUALIFIED DISASTER-RE-*
17 *LATED PERSONAL CASUALTY LOSSES.*—

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

20 (A) the amount determined under section
21 165(h)(2)(A)(ii) of the Internal Revenue Code of
22 1986 shall be equal to the sum of—

23 (i) such net disaster loss, and

24 (ii) so much of the excess referred to in
25 the matter preceding clause (i) of section

1 165(h)(2)(A) of such Code (reduced by the
2 amount in clause (i) of this subparagraph)
3 as exceeds 10 percent of the adjusted gross
4 income of the individual,

5 (B) section 165(h)(1) of such Code shall be
6 applied by substituting “\$500” for “\$500 (\$100
7 for taxable years beginning after December 31,
8 2009)”,

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

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

16 (2) NET DISASTER LOSS.—For purposes of this
17 subsection, the term “net disaster loss” means the ex-
18 cess of qualified disaster-related personal casualty
19 losses over personal casualty gains (as defined in sec-
20 tion 165(h)(3)(A) of the Internal Revenue Code of
21 1986).

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

1 *the Internal Revenue Code of 1986 which arise in a*
2 *qualified disaster area on or after the first day of the*
3 *incident period of the qualified disaster to which such*
4 *area relates, and which are attributable to such quali-*
5 *fied disaster.*

6 (c) *SPECIAL RULE FOR DETERMINING EARNED IN-*
7 *COME.—*

8 (1) *IN GENERAL.—In the case of a qualified in-*
9 *dividual, if the earned income of the taxpayer for the*
10 *applicable taxable year is less than the earned income*
11 *of the taxpayer for the preceding taxable year, the*
12 *credits allowed under sections 24(d) and 32 of the In-*
13 *ternal Revenue Code of 1986 may, at the election of*
14 *the taxpayer, be determined by substituting—*

15 (A) *such earned income for the preceding*
16 *taxable year, for*

17 (B) *such earned income for the applicable*
18 *taxable year.*

19 (2) *QUALIFIED INDIVIDUAL.—For purposes of*
20 *this subsection—*

21 (A) *IN GENERAL.—The term “qualified in-*
22 *dividual” means any individual whose principal*
23 *place of abode at any time during the incident*
24 *period of any qualified disaster was located—*

1 (i) in the qualified disaster zone with
2 respect to such qualified disaster, or

3 (ii) in the qualified disaster area with
4 respect to such qualified disaster (but out-
5 side the qualified disaster zone with respect
6 to such qualified disaster) and such indi-
7 vidual was displaced from such principal
8 place of abode by reason of such qualified
9 disaster.

10 (B) *HURRICANE SANDY*.—The term “quali-
11 fied individual” includes any individual whose
12 principal place of abode at any time during the
13 period beginning on October 29, 2012, and end-
14 ing on November 3, 2012, was located—

15 (i) in that portion of the area described
16 in clause (ii) which was determined by the
17 President to warrant individual or indi-
18 vidual and public assistance from the Fed-
19 eral Government under the Robert T. Staf-
20 ford Disaster Relief and Emergency Assist-
21 ance Act by reason of Hurricane Sandy, or

22 (ii) in the area with respect to which
23 a major disaster was declared by the Presi-
24 dent under section 401 of the Robert T.
25 Stafford Disaster Relief and Emergency As-

1 *sistance Act by reason of Hurricane Sandy*
2 *and such individual was displaced from*
3 *such principal place of abode by reason of*
4 *Hurricane Sandy.*

5 (3) *APPLICABLE TAXABLE YEAR.*—*The term “ap-*
6 *plicable taxable year” means—*

7 (A) *in the case of a qualified individual*
8 *other than an individual described in subpara-*
9 *graph (B), any taxable year which includes any*
10 *portion of the incident period of the qualified*
11 *disaster to which the qualified disaster area re-*
12 *ferred to in paragraph (2)(A) relates, or*

13 (B) *in the case of a qualified individual de-*
14 *scribed in subparagraph (B) of paragraph (2),*
15 *any taxable year which includes any portion of*
16 *the period described in such subparagraph.*

17 (4) *EARNED INCOME.*—*For purposes of this sub-*
18 *section, the term “earned income” has the meaning*
19 *given such term under section 32(c) of the Internal*
20 *Revenue Code of 1986.*

21 (5) *SPECIAL RULES.*—

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

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

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

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

11 (C) *ERRORS TREATED AS MATHEMATICAL*
12 *ERROR.*—For purposes of section 6213 of the In-
13 ternal Revenue Code of 1986, an incorrect use on
14 a return of earned income pursuant to para-
15 graph (1) shall be treated as a mathematical or
16 clerical error.

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

22 (E) *EXTENSION OF PERIOD OF LIMITATION*
23 *FOR CERTAIN INDIVIDUALS AFFECTED BY HURRI-*
24 *CANE SANDY.*—

1 (i) *IN GENERAL.*—*In the case of an in-*
2 *dividual described in paragraph (2)(B), the*
3 *period of limitation prescribed by section*
4 *6511(a) of the Internal Revenue Code of*
5 *1986 for any applicable taxable year shall*
6 *be extended until the date prescribed by law*
7 *(including extensions) for filing the return*
8 *of tax for the taxable year that includes the*
9 *date of the enactment of this Act, and sec-*
10 *tion 6511(b)(2) of such Code shall not apply*
11 *to any claim of credit or refund with re-*
12 *spect to the return for such applicable tax*
13 *year.*

14 (ii) *AMENDMENTS, ETC. RESTRICTED*
15 *TO CHANGES TO EARNED INCOME.*—*Clause*
16 *(i) shall apply only with respect to amend-*
17 *ments to the return of tax, and claims for*
18 *credit or refund, relating to a change in the*
19 *earned income of the individual.*

20 **SEC. 305. AUTOMATIC EXTENSION OF FILING DEADLINES IN**
21 **CASE OF CERTAIN TAXPAYERS AFFECTED BY**
22 **FEDERALLY DECLARED DISASTERS.**

23 (a) *IN GENERAL.*—*Section 7508A is amended by add-*
24 *ing at the end the following new subsection:*

25 “(d) *MANDATORY 60-DAY EXTENSION.*—

1 “(1) *IN GENERAL.*—*In the case of any qualified*
2 *taxpayer, the period—*

3 “(A) *beginning on the earliest incident date*
4 *specified in the declaration to which the disaster*
5 *area referred to in paragraph (2) relates, and*

6 “(B) *ending on the date which is 60 days*
7 *after the latest incident date so specified,*
8 *shall be disregarded in the same manner as a period*
9 *specified under subsection (a).*

10 “(2) *QUALIFIED TAXPAYER.*—*For purposes of*
11 *this subsection, the term ‘qualified taxpayer’ means—*

12 “(A) *any individual whose principal resi-*
13 *dence (for purposes of section 1033(h)(4)) is lo-*
14 *cated in a disaster area,*

15 “(B) *any taxpayer if the taxpayer’s prin-*
16 *cipal place of business (other than the business*
17 *of performing services as an employee) is located*
18 *in a disaster area,*

19 “(C) *any individual who is a relief worker*
20 *affiliated with a recognized government or phil-*
21 *anthropic organization and who is assisting in*
22 *a disaster area,*

23 “(D) *any taxpayer whose records necessary*
24 *to meet a deadline for an act described in section*
25 *7508(a)(1) are maintained in a disaster area,*

1 “(E) any individual visiting a disaster
2 area who was killed or injured as a result of the
3 disaster, and

4 “(F) solely with respect to a joint return,
5 any spouse of an individual described in any
6 preceding subparagraph of this paragraph.

7 “(3) *DISASTER AREA*.—For purposes of this sub-
8 section, the term ‘disaster area’ has the meaning
9 given such term under subparagraph (B) of section
10 165(i)(5) with respect to a Federally declared disaster
11 (as defined in subparagraph (A) of such section).

12 “(4) *APPLICATION TO RULES REGARDING PEN-*
13 *SIONS*.—In the case of any person described in sub-
14 section (b), a rule similar to the rule of paragraph (1)
15 shall apply for purposes of subsection (b) with respect
16 to—

17 “(A) making contributions to a qualified re-
18 tirement plan (within the meaning of section
19 4974(c)) under section 219(f)(3), 404(a)(6),
20 404(h)(1)(B), or 404(m)(2),

21 “(B) making distributions under section
22 408(d)(4),

23 “(C) recharacterizing contributions under
24 section 408A(d)(6), and

1 **SEC. 307. ADDITIONAL LOW-INCOME HOUSING CREDIT AL-**
2 **LOCATIONS FOR QUALIFIED 2017 AND 2018**
3 **CALIFORNIA DISASTER AREAS.**

4 (a) *IN GENERAL.*—For purposes of section 42 of the
5 *Internal Revenue Code of 1986*, the State housing credit
6 *ceiling for California for calendar year 2019 shall be in-*
7 *creased by the lesser of—*

8 (1) *the aggregate housing credit dollar amount*
9 *allocated by the State housing credit agencies of Cali-*
10 *formia for such calendar year to buildings located in*
11 *qualified 2017 and 2018 California disaster areas, or*

12 (2) *50 percent of the sum of the State housing*
13 *credit ceilings for California for calendar years 2017*
14 *and 2018.*

15 (b) *ALLOCATIONS TREATED AS MADE FIRST FROM*
16 *ADDITIONAL ALLOCATION FOR PURPOSES OF DETERMINING*
17 *CARRYOVER.*—For purposes of determining the unused
18 *State housing credit ceiling for any calendar year under*
19 *section 42(h)(3)(C) of the Internal Revenue Code of 1986,*
20 *any increase in the State housing credit ceiling under sub-*
21 *section (a) shall be treated as an amount described in clause*
22 *(ii) of such section.*

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

24 (1) *QUALIFIED 2017 AND 2018 CALIFORNIA DIS-*
25 *ASTER AREAS.*—The term “qualified 2017 and 2018
26 *California disaster areas” means any area in Cali-*

1 *for*nia which was determined by the President (before
2 *January 1, 2019)* to warrant individual or indi-
3 *vidual and public assistance from the Federal Gov-*
4 *ernment under the Robert T. Stafford Disaster Relief*
5 *and Emergency Assistance Act by reason of a major*
6 *disaster the incident period of which begins or ends*
7 *in calendar year 2017 or 2018. Notwithstanding sec-*
8 *tion 301, for purposes of the preceding sentence, the*
9 *term “incident period” means the period specified by*
10 *the Federal Emergency Management Agency as the*
11 *period during which the disaster occurred.*

12 (2) *OTHER DEFINITIONS.—Terms used in this*
13 *section which are also used in section 42 of the Inter-*
14 *nal Revenue Code of 1986 shall have the same mean-*
15 *ing in this section as in such section 42.*

16 **SEC. 308. TREATMENT OF CERTAIN POSSESSIONS.**

17 (a) *PAYMENTS TO POSSESSIONS WITH MIRROR CODE*
18 *TAX SYSTEMS.—The Secretary of the Treasury shall pay*
19 *to each possession of the United States which has a mirror*
20 *code tax system amounts equal to the loss (if any) to that*
21 *possession by reason of the application of the provisions of*
22 *this title. Such amounts shall be determined by the Sec-*
23 *retary of the Treasury based on information provided by*
24 *the government of the respective possession.*

1 (b) *PAYMENTS TO OTHER POSSESSIONS.*—*The Sec-*
2 *retary of the Treasury shall pay to each possession of the*
3 *United States which does not have a mirror code tax system*
4 *amounts estimated by the Secretary of the Treasury as*
5 *being equal to the aggregate benefits (if any) that would*
6 *have been provided to residents of such possession by reason*
7 *of the provisions of this title if a mirror code tax system*
8 *had been in effect in such possession. The preceding sentence*
9 *shall not apply unless the respective possession has a plan,*
10 *which has been approved by the Secretary of the Treasury,*
11 *under which such possession will promptly distribute such*
12 *payments to its residents.*

13 (c) *MIRROR CODE TAX SYSTEM.*—*For purposes of this*
14 *section, the term “mirror code tax system” means, with re-*
15 *spect to any possession of the United States, the income tax*
16 *system of such possession if the income tax liability of the*
17 *residents of such possession under such system is determined*
18 *by reference to the income tax laws of the United States*
19 *as if such possession were the United States.*

20 (d) *TREATMENT OF PAYMENTS.*—*For purposes of sec-*
21 *tion 1324 of title 31, United States Code, the payments*
22 *under this section shall be treated in the same manner as*
23 *a refund due from a credit provision referred to in sub-*
24 *section (b)(2) of such section.*

Union Calendar No. 300

116TH CONGRESS
2^D SESSION

H. R. 3301

[Report No. 116-379]

A BILL

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

JANUARY 21, 2020

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed