118TH CONGRESS
2D SESSION

S. 5457

To amend the Internal Revenue Code of 1986 to allow a portion of general business credit carryforwards to be transferred by certain taxpayers affected by federally declared disasters.

IN THE SENATE OF THE UNITED STATES

DECEMBER 9, 2024

Mr. GRAHAM (for himself, Mr. TILLIS, and Mr. SCOTT of South Carolina) introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To amend the Internal Revenue Code of 1986 to allow a portion of general business credit carryforwards to be transferred by certain taxpayers affected by federally declared disasters.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Disaster Relief and Resilience Act''.

SEC. 2. CERTAIN CARRYFORWARDS OF GENERAL BUSINESS CREDIT TREATED AS TRANSFERRABLE CREDITS FOR TAXPAYERS AFFECTED BY FEDERALLY DECLARED DISASTERS IN 2024.

(a) IN GENERAL.—For purposes of section 6418 of the Internal Revenue Code of 1986, notwithstanding subsection (f)(1)(C) thereof, so much of the amount of the applicable general business credit carryforwards as does not exceed the eligible expenditures made by the taxpayer during the taxable year shall be treated as an eligible credit.

(b) APPLICABLE GENERAL BUSINESS CREDIT CARRYFORWARDS.—For purposes of this section, the term ''applicable general business credit carryforwards'' means, with respect to any taxable year, the sum of the amounts described in section 38(a)(1) of the Internal Revenue Code of 1986 which—

(1) are carried to any taxable year beginning after December 31, 2023, and

(2) attributable to any credit described in clauses (ii) and (ix) of section 6418(f)(1)(A) of such Code.

(c) ELIGIBLE EXPENDITURES.—For purposes of this section—

(1) IN GENERAL.—The term ''eligible expenditures'' means expenses by the taxpayer which are

paid or incurred before January 1, 2028, for the purpose of carrying out a trade or business in a qualified disaster area.

(2) QUALIFIED DISASTER AREA.—The term "qualified disaster area" means any area with respect to which a major disaster was declared after December 31, 2023, and before the date of the enactment of this Act by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

(3) APPLICATION TO CONSOLIDATED GROUPS.—All members of an affiliated group filing a consolidated return shall be treated as one taxpayer.

(4) NO REGISTRATION REQUIRED.—Notwithstanding section 6418(g)(1) of the Internal Revenue Code of 1986, the Secretary of the Treasury (or the Secretary's delegate) shall not require registration with respect to the portion of any applicable general business credit carryforwards which relates to a taxable year beginning with or before the most recent taxable year for which the taxpayer has executed a Revenue Agent Report (including Form 4549 (relat-

ing to income tax examination changes) or any similar form).