119TH CONGRESS 1st Session } HOUSE OF REPRESENTATIVES { REPORT 119–44

FILING RELIEF FOR NATURAL DISASTERS ACT

MARCH 27, 2025.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SMITH of Missouri, from the Committee on Ways and Means, submitted the following

R E P O R T

[To accompany H.R. 517]

[Including cost estimate of the Congressional Budget Office]

The Committee on Ways and Means, to whom was referred the bill (H.R. 517) to amend the Internal Revenue Code of 1986 to modify the rules for postponing certain deadlines by reason of disaster, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

CONTENTS

59–006

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Filing Relief for Natural Disasters Act".

SEC. 2. MODIFICATION OF RULES FOR POSTPONING CERTAIN DEADLINES BY REASON OF DISASTER.

(a) AUTHORITY TO POSTPONE FEDERAL TAX DEADLINES BY REASON OF STATE-DECLARED DISASTERS.—Section 7508A of the Internal Revenue Code of 1986 is amended by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively, and by inserting after subsection (b) the following new subsection:

"(c) SPECIAL RULE FOR STATE-DECLARED DISASTERS.—

"(1) IN GENERAL.—The Secretary (after consultation with the Administrator of the Federal Emergency Management Agency) may, upon the written request of the Governor of a State (or the Mayor, in the case of the District of Columbia), apply the rules of subsections (a) and (b) to a qualified State declared disaster in the same manner as a disaster, fire, or action otherwise described in subsection (a).

"(2) QUALIFIED STATE DECLARED DISASTER.—For purposes of this section, the term 'qualified State declared disaster' means, with respect to any State, any natural catastrophe (including any hurricane, tornado, storm, high water, winddriven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought), or, regardless of cause, any fire, flood, or explosion, in any part of the State, which in the determination of the Governor of such State (or the Mayor, in the case of the District of Columbia) causes damage of sufficient severity and magnitude to warrant the application of the rules of this section.

"(3) STATE.—For purposes of this section, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.".

(b) MANDATORY EXTENSIONS EXTENDED TO 120 DAYS.—Section 7508A(e) of such Code, as redesignated by subsection (a), is amended—

(1) by striking "60 days" in paragraph (1)(B) thereof and inserting "120 days",

(2) by striking "60-day" in paragraph (6) thereof and inserting "120-day", and

(3) by striking "60-DAY" in the heading and inserting "120-DAY".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to declarations made after the date of the enactment of this Act.

I. SUMMARY AND BACKGROUND

A. PURPOSE AND SUMMARY

The bill, H.R. 517, the "Filing Relief for Natural Disasters Act," as amended, was ordered reported by the Committee on Ways and Means on February 26, 2025.

Under the provision, the Secretary may, upon written request of the Governor of a State (or the Mayor of the District of Columbia), and in consultation with the Federal Emergency Management Agency ("FEMA"), apply the rules of subsection 7508A(a) and subsection 7508A(b) to a qualified State declared disaster in the same manner as a disaster, fire, or action otherwise described in subsection 7508A(a).

"Qualified State declared disaster" is defined to include any natural catastrophe (including any hurricane, tornado, storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought), or, regardless of cause, any fire, flood, or explosion, in any part of the State, which in the determination of the Governor of such State (or the Mayor of the District of Columbia) causes damage of sufficient severity and magnitude to warrant the application of the rules of this proposal.

The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

The provision also extends the mandatory 60-day suspension period[1] from 60 days to 120 days.

B. Background and Need for Legislation

The Committee on Ways and Means has conducted oversight of the IRS and the need for modernization. On February 11, 2025, the Committee held a hearing titled "IRS Return on Investment and the Need for Modernization," to examine the lack of return on investment from funding provided by to the IRS by the Inflation Reduction Act and the need for information technology modernization at the agency.[2] In modernizing the administration of the tax laws, the Committee considered how to ease the burden on taxpayers who are recovering from a natural disaster.

While the IRS has the authority to postpone tax filing deadlines for taxpayers impacted by federally declared national disasters, the federal government may take weeks or months to issue such a declaration. In many cases, States have the ability to move at a faster pace than the federal government when an event necessitates the declaration of a natural disaster within their borders. A delay in the issuance of a disaster declaration can lead uncertainty and an unnecessary burden on the taxpayer as they attempt to maintain compliance with tax filing deadlines while recovering from a natural disaster.

To streamline the process and provide relief to taxpayers facing these natural disasters, this bill authorizes the Secretary of Treasury, in consultation with FEMA and the impacted State, to extend relief to taxpayers that are impacted by natural disasters by postponing federal deadlines prior to a federal disaster declaration being made. This bill also expands the mandatory extension from a declared disaster from 60 to 120 days, to allow families to have additional time to file taxes while recovering from the disaster.

The Committee on Ways and Means is committed to ensuring that taxpayers facing natural disasters in their area receive relief from tax deadlines in their time of need. This bill ensures that families have the flexibility to extend their tax deadline while they rebuild and recover after a state declared national disaster.

C. Legislative History

Background

H.R. 517 was introduced on January 16, 2025, and was referred to the Committee on Ways and Means.

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[1] Sec. 7508A(e).

[2] H. Comm. On Ways and Means, *Hearing: IRS Return on Investment and the Need for Modernization* (Feb 11, 2025) https://waysandmeans.house.gov/event/oversight-subcommittee-hearing-on-irs-return-on-investment-and-the-need-for-modernization/.

Committee Hearings

On February 11, 2025, the Committee on Ways and Means held a hearing titled, "IRS Return on Investment and the Need for Modernization." [3]

Committee Action

The Committee on Ways and Means marked up H.R. 517, the "Filing Relief for Natural Disasters Act" on February 26, 2025, and ordered the bill, as amended, favorably reported (with a quorum being present).

D. DESIGNATED HEARING

Pursuant to clause 3(c)(6) of rule XIII, the following hearing was used to develop and consider H.R. 517:

"IRS Return on Investment and the Need for Modernization" on February 11, 2025.

II. EXPLANATION OF THE BILL

A. MODIFICATION OF RULES FOR POSTPONING CERTAIN DEADLINES BY REASON OF DISASTER (SEC. 2 OF THE BILL AND NEW SEC. 7508A(c) AND SEC. 7508A(e) OF THE CODE)

PRESENT LAW

General time limits for filing tax returns and paying estimated tax

Individuals generally are required to file their Federal income tax returns by April 15 of the year following the close of a taxable year.[4] Present law also provides that the Secretary may grant reasonable extensions of time for filing such returns.[5] Upon application on the proper form, Treasury regulations provide an automatic six-month extension (until October 15 for calendar-year individuals) for any individual timely filing that form and paying the amount of tax estimated to be due.[6]

In general, individuals are required to make quarterly estimated tax payments by April 15, June 15, September 15, and January 15 of the following taxable year. Wage withholding is considered to be a payment of estimated taxes.

Suspension of time periods

In general, the Secretary may specify a period of up to one year that may be disregarded for performing various acts under the Code, such as filing tax returns, paying taxes, or filing a claim for credit or refund of tax, for any taxpayer determined by the Secretary to be affected by a Federally declared disaster,[7] a significant fire,[8] or a terroristic or military action[9] with respect to any tax liability of the taxpayer.[10] In addition, the period specified by the Secretary may be disregarded in determining the amount of any in-

[3] *Id.*
[4] Sec. 6072.
[5] Sec. 6081.
[6] Treas. Reg. sec. 1.6081–4.
[7] As defined by section 165(i)(5)(A).
[8] Significant fire means any fire with respect to which assistance is provided under section 420 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.
[9] As defined in section 692(c)(2).
[10] Sec. 7508A.

terest, penalty, additional amount, or addition to tax, and the amount of any credit or refund.

There are special rules provided for pension plans and other employee benefit plans. The Secretary may prescribe a period of up to one year which may be disregarded in determining the date by which any action by a pension or other employee benefit plan, or by any sponsor, administrator, participant, beneficiary, or other person with respect to such plan, affected by a Federally declared disaster, a significant fire, or a terroristic or military action would be required or permitted to be completed. A plan is not treated as operating in a manner inconsistent with its terms or in violation of its terms merely due to disregarding any such periods.

The suspension of time may apply to a wide variety of acts, including the (1) filing of any return of income, estate, gift, employment, or excise tax; (2) payment of any income, estate, gift, employment, or excise tax; (3) allowance of a credit or refund of any tax; (4) assessment of any tax; (5) collection of the amount of any liability in respect of any tax; (6) notice or demand for payment of any tax or with respect to any liability of tax; and (7) any other act required or permitted under the internal revenue laws specified by the Secretary of the Treasury.[11] The types of acts for which time may be suspended are identified in a related provision and incorporated by reference.[12]

For a tax-related deadline to be postponed under this authority, the Internal Revenue Service ("IRS") generally will publish, as soon as practicable after the declaration of the disaster, significant fire, or occurrence of a terroristic or military action, a revenue ruling, revenue procedure, notice, announcement, news release, or other guidance authorizing the postponement and describing the acts postponed, the postponement period, and the location of the covered disaster area.[13]

Mandatory 60-day suspension

In the case of a Federally declared disaster, qualified taxpayers have a mandatory 60-day period that is disregarded in determining whether the acts listed above were performed in the time prescribed; the amount of any interest, penalty, additional amount, or addition to tax; and the amount of any credit or refund.[14] The 60-day period begins on the earliest incident date specified in the declaration to which the relevant disaster area relates and ends on the date which is the later of 60 days after the earliest incident date so specified or the date such declaration was issued. In the case of multiple declarations, a separate 60-day period shall be calculated

[11] Treas. Reg. sec. 301.7508A–1. The regulations note that the IRS may postpone deadlines for performing certain acts with respect to taxes other than taxes not administered by the IRS such as firearms tax (chapter 32, section 4181); harbor maintenance tax (chapter 36, section 4461); and alcohol and tobacco taxes (subtitle E).

[12] Sec. 7508(a)(1)(A) through (K). Under Treasury regulations, additional acts were added to this list with respect to affected pension plans and affected taxpayers with respect to such plans: Making contributions to a qualified retirement plan (within the meaning of section 4974(c)) under section 219(f)(3), 404(a)(6), 404(h)(1)(B), or 404(m)(2); making distributions under section 408(d)(4); recharacterizing contributions under section 408A(d)(6); or making a rollover under section 402(c), 403(a)(4), 403(b)(8), or 408(d)(3). Treas. Reg. sec. 301.7508A–1(c)(1)(iii). In addition, Revenue Procedure 2018–58, 2018–50 I.R.B. 990, supplements the list of postponed acts in section 7508(a)(1) and Treasury Regulation section 301.7508A–1(c)(1) with an additional list of time-sensitive acts.

[13] Treas. Reg. sec. 301.7508A–1(e).

[14] Sec. 7805A(d)(1).

with respect to each declaration. The 60-day period is disregarded in determining under the internal revenue laws, in respect of any tax liability of a qualified taxpayer, whether any of the specified acts to which the extension applies were performed within the time prescribed (without regard to any extensions otherwise provided for periods after the 60-day period). The mandatory 60-day period provided is in addition to, or concurrent with, any period of suspension provided by the Secretary. In the case of multiple declarations, a separate 60-day period shall be calculated with respect to each declaration.

Qualified taxpayers are (1) any individual whose principal residence is located in a disaster area, (2) any taxpayer if the taxpayer's principal place of business (other than the business of performing services as an employee) is located in a disaster area, (3) any individual who is a relief worker affiliated with a recognized government or philanthropic organization and who is assisting in a disaster area, (4) any taxpayer whose records necessary to meet a deadline for the acts listed above are maintained in a disaster area, (5) any individual visiting a disaster area who was killed or injured as a result of the disaster, and (6) solely with respect to a joint return, any spouse of an individual who is a qualified taxpayer.

Statute of limitations on credit or refund

In general, a taxpayer is required to file a claim for credit or refund of an overpayment of tax within three years from the time the return was filed or two years from the time the tax was paid, whichever expires later.[15] If the taxpayer did not file a return, the taxpayer is required to file a claim for credit or refund within two years from the time the tax was paid.[16] No credit or refund is allowed or made after the expiration of this period of limitation, unless the taxpayer files a claim for credit or refund within such period.[17]

If a taxpayer files a claim for credit or refund during the three-year limitation period, the amount of credit or refund is limited to the portion of tax paid within the three years immediately before filing the claim plus the period of any extension of time for filing the return.[18] If the claim was not filed within the three-year period, the amount of credit or refund is limited to the two years immediately preceding the filing of the claim.[19]

REASONS FOR CHANGE

The Committee believes that taxpayers affected by disaster, significant fire, terroristic or military actions should receive prompt and clear guidance from the IRS to prevent confusion, particularly when such events occur around tax filing season. The Committee notes that disasters are typically recognized much more swiftly at the State level than at the Federal level. Thus, the Committee believes a State declaration of disaster should be sufficient to allow

[15] Sec. 6511(a).
[16] *Ibid.*
[17] Sec. 6511(b)(1).
[18] Sec. 6511(b)(2)(A). Any withholding and estimated taxes paid are deemed paid on April 15th in the year following the close of the tax year in which the tax is allowable as a credit. Sec. 6513(b).
[19] Sec. 6511(b)(2)(B).

the IRS to grant postponements of tax filing and payment deadlines and extensions of time for actions related to pension or other employee benefits plans to affected taxpayers. The Committee also believes that a lengthened mandatory filing extension period ensures taxpayers have sufficient time and resources to recover after a Federally declared disaster before addressing their tax obligations.

EXPLANATION OF PROVISION

Under the provision, the Secretary may (after consultation with the Administrator of the Federal Emergency Management Agency), upon written request of the Governor of a State (or the Mayor of the District of Columbia), apply the rules of subsection 7508A(a) (related to disregarded deadlines for filing and payment) and subsection 7508A(b) (related to extensions of time for actions required or permitted to be completed with respect to pension or other employee benefit plans) to a qualified State declared disaster in the same manner as a disaster, fire, or action otherwise described in subsection 7508A(a).

“Qualified State declared disaster” is defined to include any natural catastrophe (including any hurricane, tornado, storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought), or, regardless of cause, any fire, flood, or explosion, in any part of the State, which in the determination of the Governor of such State (or the Mayor of the District of Columbia) causes damage of sufficient severity and magnitude to warrant the application of the rules of this proposal.

The term “State” includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

The provision also extends the mandatory 60-day suspension period[20] from 60 days to 120 days.

EFFECTIVE DATE

The provision applies to declarations made after the date of enactment.

III. VOTE OF THE COMMITTEE

Pursuant to clause 3(b) of rule XIII of the Rules of the House of Representatives, the following statement is made concerning the vote of the Committee on Ways and Means in its consideration of H.R. 517, the “Filing Relief for Natural Disasters Act,” on February 26, 2025.

The bill, H.R. 517 was ordered favorably reported to the House of Representatives as amended by a roll call vote of 42 yeas to 0 nays (with a quorum being present). The vote was as follows:

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. Smith (MO)	X			Mr. Neal	X		
Mr. Buchanan	X			Mr. Doggett	X		
Mr. Smith (NE)	X			Mr. Thompson	X		
Mr. Kelly	X			Mr. Larson	X		

[20] Sec. 7508A(e).

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. Schweikert	X	....	....	Mr. Davis	X	....	....
Mr. LaHood	X	....	....	Ms. Sánchez	X	....	....
Mr. Arrington	X	....	....	Ms. Sewell	X	....	....
Mr. Estes	X	....	....	Ms. DelBene	X	....	....
Mr. Smucker	X	....	....	Ms. Chu	X	....	....
Mr. Hern	X	....	....	Ms. Moore (WI)	X	....	....
Mrs. Miller (WV)	X	....	....	Mr. Boyle	X	....	....
Dr. Murphy	X	....	....	Mr. Beyer	X	....	....
Mr. Kustoff	X	....	....	Mr. Evans	X	....	....
Mr. Fitzpatrick	X	....	....	Mr. Schneider	X	....	....
Mr. Steube	X	....	....	Mr. Panetta	X	....	....
Ms. Tenney	X	....	....	Mr. Gomez	X	....	....
Mrs. Fischbach	X	....	....	Mr. Horsford	X	....	....
Mr. Moore (UT)	X	....	....	Ms. Plaskett	X	....	....
Ms. Van Duyne	X	....	....	Mr. Suozzi	X	....	....
Mr. Feenstra	X	....	....				
Ms. Malliotakis	X	....	....				
Mr. Carey	X	....	....				
Mr. Yakym	X	....	....				
Mr. Miller (OH)	X	....	....				
Mr. Bean	X	....	....				
Mr. Moran	X	....	....				

IV. BUDGET EFFECTS OF THE BILL

A. Committee Estimate of Budgetary Effects

In compliance with clause 3(d) of rule XIII of the Rules of the House of Representatives, the following statement is made concerning the effects on the budget of the bill, H.R. 517 as reported. The estimate prepared by the Congressional Budget Office (CBO) is included below.

The bill is estimated to have a negligible effect on Federal fiscal year budget receipts for the period 2025 through 2034.

B. Statement Regarding New Budget Authority and Tax Expenditures Budget Authority

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee states that the bill involves no new or increased budget authority.

C. Cost Estimate Prepared by the Congressional Budget Office

In compliance with clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, requiring a cost estimate prepared by the CBO, the following statement by CBO is provided.

H.R. 517, Filing Relief for Natural Disasters Act As ordered reported by the House Committee on Ways and Means on February 26, 2025			
By Fiscal Year, Millions of Dollars	2025	2025-2030	2025-2035
Direct Spending (Outlays)	0	0	0
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	Not estimated

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2036?	No	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2036?	*	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

* = between -$500,000 and $500,000.

H.R. 517 would amend the Internal Revenue Code to modify the rules for postponing certain tax deadlines in response to declared disasters. The bill would permit the Secretary of the Treasury, in the case of certain state-declared disasters, to grant filing extensions that are similar to those granted in the event of federally declared disasters. The bill also would increase deadline extensions from 60 days to 120 days.

The Congressional Budget Act of 1974, as amended, stipulates that revenue estimates provided by the staff of the Joint Committee on Taxation (JCT) are the official estimates for all tax legislation considered by the Congress. CBO therefore incorporates such estimates into its cost estimates of the effects of legislation. The revenue estimates for the bill were provided by JCT.[1] JCT estimates that the bill would reduce federal revenues by an insignificant amount.

CBO estimates that it would cost less than $500,000 over the 2025–2030 period to implement the bill. Any related spending would be subject to the availability of appropriated funds.

The CBO staff contact for this estimate is Jennifer Shand. The estimate was reviewed by John McClelland, Director of Tax Analysis.

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

V. OTHER MATTERS TO BE DISCUSSED UNDER THE RULES OF THE HOUSE

A. COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee made findings and recommendations that are reflected in this report.

[1] See Joint Committee on Taxation *Description of H.R. 517, the "Filing Relief for Natural Disasters Act,"* JCX–12–25 (February 24, 2025), www.jct.gov/publications/2025/jcx-12-25; and *Description of the Chairman's Amendment in the Nature of a Substitute to H.R. 517, the "Filing Relief for Natural Disasters Act,"* JCX–14–25 (February 25, 2025), www.jct.gov/publications/2025/jcx-14-25.

B. Statement of General Performance Goals and Objectives

With respect to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee advises that the bill does not authorize funding, so no statement of general performance goals and objectives is required.

C. Applicability of House Rule XXI, Clause 5(b)

Rule XXI 5(b) of the Rules of the House of Representatives provides, in part, that "A bill or joint resolution, amendment, or conference report carrying a Federal income tax rate increase may not be considered as passed or agreed to unless so determined by a vote of not less than three-fifths of the Members voting, a quorum being present." The Committee has carefully reviewed the bill, and states that the bill does not provide such a Federal income tax rate increase.

D. Information Relating to Unfunded Mandates

This information is provided in accordance with section 423 of the Unfunded Mandates Reform Act of 1995 (Pub. L. No. 104–4).

The Committee has determined that the bill does not contain Federal mandates on the private sector. The Committee has determined that the bill does not impose a Federal intergovernmental mandate on State, local, or tribal governments.

E. Congressional Earmarks, Limited Tax Benefits, and Limited Tariff Benefits

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the bill, and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

F. Duplication of Federal Programs

In compliance with clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes: (1) a program of the Federal Government known to be duplicative of another Federal program; (2) a program included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139; or (3) a program related to a program identified in the most recent Catalog of Federal Domestic Assistance, published pursuant to the Federal Program Information Act (Pub. L. No. 95–220, as amended by Pub. L. No. 98–169).

G. Tax Complexity Analysis

Section 4022(b) of the Internal Revenue Service Reform and Restructuring Act of 1998 (the "IRS Reform Act") requires the staff of the Joint Committee on Taxation (in consultation with the Internal Revenue Service and the Treasury Department) to provide a tax complexity analysis. The complexity analysis is required for all legislation reported by the Senate Committee on Finance, the House Committee on Ways and Means, or any committee of conference if the legislation includes a provision that directly or indirectly amends the Internal Revenue Code and has widespread applicability to individuals or small businesses.

The staff of the Joint Committee on Taxation has determined that there are no provisions that are of widespread applicability to individuals or small businesses.

VI. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

A. TEXT OF EXISTING LAW AMENDED OR REPEALED BY THE BILL, AS REPORTED

Pursuant to clause 3(e) of rule XIII of the Rules of the House of Representatives, the text of each section proposed to be repealed by the bill is shown below:

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

INTERNAL REVENUE CODE OF 1986

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Subtitle F—Procedure and Administration

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CHAPTER 77—MISCELLANEOUS PROVISIONS

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SEC. 7508A. AUTHORITY TO POSTPONE CERTAIN DEADLINES BY REASON OF FEDERALLY DECLARED DISASTER, SIGNIFICANT FIRE, OR TERRORISTIC OR MILITARY ACTIONS.

(a) IN GENERAL.—In the case of a taxpayer determined by the Secretary to be affected by a federally declared disaster (as defined by section 165(i)(5)(A)), a significant fire, or a terroristic or military action (as defined in section 692(c)(2)), the Secretary may specify a period of up to 1 year that may be disregarded in determining, under the internal revenue laws, in respect of any tax liability of such taxpayer—

(1) whether any of the acts described in paragraph (1) of section 7508(a) were performed within the time prescribed therefor (determined without regard to extension under any other provision of this subtitle for periods after the date (determined by the Secretary) of such disaster, fire, or action),

(2) the amount of any interest, penalty, additional amount, or addition to the tax for periods after such date, and

(3) the amount of any credit or refund.

(b) SPECIAL RULES REGARDING PENSIONS, ETC..—In the case of a pension or other employee benefit plan, or any sponsor, administrator, participant, beneficiary, or other person with respect to such plan, affected by a disaster, fire, or action described in subsection (a), the Secretary may specify a period of up to 1 year which may be disregarded in determining the date by which any action is required or permitted to be completed under this title. No plan shall be treated as failing to be operated in accordance with the terms of the plan solely as the result of disregarding any period by reason of the preceding sentence.

(c) SPECIAL RULE FOR STATE-DECLARED DISASTERS.—

(1) IN GENERAL.—The Secretary (after consultation with the Administrator of the Federal Emergency Management Agency) may, upon the written request of the Governor of a State (or the Mayor, in the case of the District of Columbia), apply the rules of subsections (a) and (b) to a qualified State declared disaster in the same manner as a disaster, fire, or action otherwise described in subsection (a).

(2) QUALIFIED STATE DECLARED DISASTER.—For purposes of this section, the term "qualified State declared disaster" means, with respect to any State, any natural catastrophe (including any hurricane, tornado, storm, high water, winddriven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought), or, regardless of cause, any fire, flood, or explosion, in any part of the State, which in the determination of the Governor of such State (or the Mayor, in the case of the District of Columbia) causes damage of sufficient severity and magnitude to warrant the application of the rules of this section.

(3) STATE.—For purposes of this section, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

【(c)】 *(d)* SPECIAL RULES FOR OVERPAYMENTS.—The rules of section 7508(b) shall apply for purposes of this section.

【(d)】 *(e)* MANDATORY 【60-DAY】 *120-DAY* EXTENSION.—

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

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

(B) ending on the date which is 【60 days】 *120 days* after the later of such earliest incident date described in subparagraph (A) or the date such declaration was issued,

shall be disregarded in determining, under the internal revenue laws, in respect of any tax liability of such qualified taxpayer, whether any of the acts described in subparagraphs (A) through (F) of section 7508(a)(1) were performed within the time prescribed therefor (determined without regard to extension under any other provision of this subtitle for periods after the date determined under subparagraph (B)).

(2) QUALIFIED TAXPAYER.—For purposes of this subsection, the term "qualified taxpayer" means—

(A) any individual whose principal residence (for purposes of section 1033(h)(4)) is located in a disaster area,

(B) any taxpayer if the taxpayer's principal place of business (other than the business of performing services as an employee) is located in a disaster area,

(C) any individual who is a relief worker affiliated with a recognized government or philanthropic organization and who is assisting in a disaster area,

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

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

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

(3) DISASTER AREA.—For purposes of this subsection, the term "disaster area" means an area in which a major disaster for which the President provides financial assistance under section 408 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5174) occurs.

(4) APPLICATION TO RULES REGARDING PENSIONS.—In the case of any person described in subsection (b), a rule similar to the rule of paragraph (1) shall apply for purposes of subsection (b) with respect to—

(A) making contributions to a qualified retirement plan (within the meaning of section 4974(c)) under section 219(f)(3), 404(a)(6), 404(h)(1)(B), or 404(m)(2),

(B) making distributions under section 408(d)(4),

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

(D) making a rollover under section 402(c), 403(a)(4), 403(b)(8), or 408(d)(3).

(5) COORDINATION WITH PERIODS SPECIFIED BY THE SECRETARY.—Any period described in paragraph (1) with respect to any person (including by reason of the application of paragraph (4)) shall be in addition to (or concurrent with, as the case may be) any period specified under subsection (a) or (b) with respect to such person.

(6) MULTIPLE DECLARATIONS.—For purposes of paragraph (1), in the case of multiple declarations relating to a disaster area which are issued within a [60-day] *120-day* period, a separate period shall be determined under such paragraph with respect to each such declaration.

[(e)] *(f)* SIGNIFICANT FIRE.—For purposes of this section, the term "significant fire" means any fire with respect to which assistance is provided under section 420 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

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