

AMENDMENT TO
RULES COMMITTEE PRINT 116–12
OFFERED BY MR. RICE OF SOUTH CAROLINA

At the appropriate place in the bill insert the following:

1 SEC. _____. (a) SHORT TITLE.—This section may be
2 cited as the “Disaster Tax Relief Act of 2019”.

3 (b) DEFINITIONS.—For purposes of this section—

4 (1) QUALIFIED DISASTER AREA.—The term
5 “qualified disaster area” means any area with re-
6 spect to which a major disaster was declared, during
7 the period beginning on January 1, 2018, and end-
8 ing on the date of the enactment of this Act, by the
9 President under section 401 of the Robert T. Staf-
10 ford Disaster Relief and Emergency Assistance Act
11 if the incident period of the disaster with respect to
12 which such declaration is made begins after January
13 1, 2018, and before the date of the enactment of
14 this Act.

15 (2) QUALIFIED DISASTER ZONE.—The term
16 “qualified disaster zone” means that portion of any
17 qualified disaster area which is determined by the
18 President to warrant individual or individual and

1 public assistance from the Federal Government
2 under the Robert T. Stafford Disaster Relief and
3 Emergency Assistance Act by reason of the qualified
4 disaster with respect to such disaster area.

5 (3) QUALIFIED DISASTER.—The term “quali-
6 fied disaster” means, with respect to any qualified
7 disaster area, the disaster by reason of which a
8 major disaster was declared with respect to such
9 area.

10 (4) INCIDENT PERIOD.—The term “incident pe-
11 riod” means, with respect to any qualified disaster,
12 the period specified by the Federal Emergency Man-
13 agement Agency as the period during which such
14 disaster occurred.

15 (c) SPECIAL DISASTER-RELATED RULES FOR USE OF
16 RETIREMENT FUNDS.—

17 (1) TAX-FAVORED WITHDRAWALS FROM RE-
18 TIREMENT PLANS.—

19 (A) IN GENERAL.—Section 72(t) of the In-
20 ternal Revenue Code of 1986 shall not apply to
21 any qualified disaster distribution.

22 (B) AGGREGATE DOLLAR LIMITATION.—

23 (i) IN GENERAL.—For purposes of
24 this paragraph, the aggregate amount of
25 distributions received by an individual

1 which may be treated as qualified disaster
2 distributions for any taxable year shall not
3 exceed the excess (if any) of—

4 (I) \$100,000, over

5 (II) the aggregate amounts treat-
6 ed as qualified disaster distributions
7 received by such individual for all
8 prior taxable years.

9 (ii) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual
10 would (without regard to clause (i)) be a
11 qualified disaster distribution, a plan shall
12 not be treated as violating any requirement
13 of the Internal Revenue Code of 1986
14 merely because the plan treats such dis-
15 tribution as a qualified disaster distribu-
16 tion, unless the aggregate amount of such
17 distributions from all plans maintained by
18 the employer (and any member of any con-
19 trolled group which includes the employer)
20 to such individual exceeds \$100,000.

22 (iii) CONTROLLED GROUP.—For pur-
23 poses of clause (ii), the term “controlled
24 group” means any group treated as a sin-
25 gle employer under subsection (b), (c),

1 (m), or (o) of section 414 of the Internal
2 Revenue Code of 1986.

3 (iv) SPECIAL RULE FOR INDIVIDUALS
4 AFFECTED BY MORE THAN ONE DIS-
5 ASTER.—The limitation of clause (i) shall
6 be applied separately with respect to dis-
7 tributions made with respect to each quali-
8 fied disaster.

9 (C) AMOUNT DISTRIBUTED MAY BE RE-
10 PAID.—

11 (i) IN GENERAL.—Any individual who
12 receives a qualified disaster distribution
13 may, at any time during the 3-year period
14 beginning on the day after the date on
15 which such distribution was received, make
16 one or more contributions in an aggregate
17 amount not to exceed the amount of such
18 distribution to an eligible retirement plan
19 of which such individual is a beneficiary
20 and to which a rollover contribution of
21 such distribution could be made under sec-
22 tion 402(c), 403(a)(4), 403(b)(8),
23 408(d)(3), or 457(e)(16), of the Internal
24 Revenue Code of 1986, as the case may be.

1 (ii) TREATMENT OF REPAYMENTS OF
2 DISTRIBUTIONS FROM ELIGIBLE RETIRE-
3 MENT PLANS OTHER THAN IRAS.—For
4 purposes of the Internal Revenue Code of
5 1986, if a contribution is made pursuant
6 to clause (i) with respect to a qualified dis-
7 aster distribution from an eligible retire-
8 ment plan other than an individual retire-
9 ment plan, then the taxpayer shall, to the
10 extent of the amount of the contribution,
11 be treated as having received the qualified
12 disaster distribution in an eligible rollover
13 distribution (as defined in section
14 402(c)(4) of such Code) and as having
15 transferred the amount to the eligible re-
16 tirement plan in a direct trustee to trustee
17 transfer within 60 days of the distribution.

18 (iii) TREATMENT OF REPAYMENTS OF
19 DISTRIBUTIONS FROM IRAS.—For purposes
20 of the Internal Revenue Code of 1986, if a
21 contribution is made pursuant to clause (i)
22 with respect to a qualified disaster dis-
23 tribution from an individual retirement
24 plan (as defined by section 7701(a)(37) of
25 such Code), then, to the extent of the

1 amount of the contribution, the qualified
2 disaster distribution shall be treated as a
3 distribution described in section 408(d)(3)
4 of such Code and as having been trans-
5 ferred to the eligible retirement plan in a
6 direct trustee to trustee transfer within 60
7 days of the distribution.

8 (D) DEFINITIONS.—For purposes of this
9 paragraph—

10 (i) QUALIFIED DISASTER DISTRIBUTION.—Except as provided in subpara-
11 graph (B), the term “qualified disaster dis-
12 tribution” means any distribution from an
13 eligible retirement plan made after the in-
14 cident beginning date of a qualified dis-
15 aster and on or before December 31 of the
16 year after the year in which the incident
17 period with respect to the disaster begins,
18 to an individual whose principal place of
19 abode at any time during the incident pe-
20 riod of such qualified disaster is located in
21 the qualified disaster area with respect to
22 such qualified disaster and who has sus-
23 tained an economic loss by reason of such
24 qualified disaster.
25

1 (ii) ELIGIBLE RETIREMENT PLAN.—

2 The term “eligible retirement plan” shall
3 have the meaning given such term by sec-
4 tion 402(c)(8)(B) of the Internal Revenue
5 Code of 1986.

6 (E) INCOME INCLUSION SPREAD OVER 3-
7 YEAR PERIOD.—

8 (i) IN GENERAL.—In the case of any
9 qualified disaster distribution, unless the
10 taxpayer elects not to have this subpara-
11 graph apply for any taxable year, any
12 amount required to be included in gross in-
13 come for such taxable year shall be so in-
14 cluded ratably over the 3-taxable-year pe-
15 riod beginning with such taxable year.

16 (ii) SPECIAL RULE.—For purposes of
17 clause (i), rules similar to the rules of
18 clause (v) of section 408A(d)(3) of the In-
19 ternal Revenue Code of 1986 shall apply.

20 (F) SPECIAL RULES.—

21 (i) EXEMPTION OF DISTRIBUTIONS
22 FROM TRUSTEE TO TRUSTEE TRANSFER
23 AND WITHHOLDING RULES.—For purposes
24 of sections 401(a)(31), 402(f), and 3405 of
25 the Internal Revenue Code of 1986, quali-

1 fied disaster distributions shall not be
2 treated as eligible rollover distributions.

3 (ii) QUALIFIED DISASTER DISTRIBUTIONS TREATED AS MEETING PLAN DIS-
4 TRIBUTION REQUIREMENTS.—For pur-
5 poses of the Internal Revenue Code of
6 1986, a qualified disaster distribution shall
7 be treated as meeting the requirements of
8 sections 401(k)(2)(B)(I), 403(b)(7)(A)(ii),
9 403(b)(11), and 457(d)(1)(A) of such
10 Code.
11

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

14 (A) RECONTRIBUTIONS.—

15 (i) IN GENERAL.—Any individual who
16 received a qualified distribution may, dur-
17 ing the applicable period, make one or
18 more contributions in an aggregate amount
19 not to exceed the amount of such qualified
20 distribution to an eligible retirement plan
21 (as defined in section 402(c)(8)(B) of the
22 Internal Revenue Code of 1986) of which
23 such individual is a beneficiary and to
24 which a rollover contribution of such dis-
25 tribution could be made under section

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

3 (ii) TREATMENT OF REPAYMENTS.—
4 Rules similar to the rules of clauses (ii)
5 and (iii) of paragraph (1)(C) shall apply
6 for purposes of this subsection.

7 (B) QUALIFIED DISTRIBUTION.—For pur-
8 poses of this subsection, the term “qualified
9 distribution” means any distribution—

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

16 (ii) which was to be used to purchase
17 or construct a principal residence in a
18 qualified disaster area, but which was not
19 so used on account of the qualified disaster
20 with respect to such area, and

21 (iii) which was received on or after
22 the date that is 270 days before the first
23 day of incident period of the disaster, and
24 before the date which is 30 days after the

1 last day of the incident period of such
2 qualified disaster.

3 (C) APPLICABLE PERIOD.—For purposes
4 of this paragraph, the term “applicable period”
5 means, with respect to any qualified distribu-
6 tion, the period beginning on the first day of
7 the incident period of the disaster and ending
8 on the date that is 180 days after the last day
9 of such incident period.

10 (3) LOANS FROM QUALIFIED PLANS.—

11 (A) INCREASE IN LIMIT ON LOANS NOT
12 TREATED AS DISTRIBUTIONS.—In the case of
13 any loan from a qualified employer plan (as de-
14 fined under section 72(p)(4) of the Internal
15 Revenue Code of 1986) to a qualified individual
16 made during the period beginning on the date
17 of the enactment of this Act and ending on De-
18 cember 31 of the year after the year in which
19 the incident period with respect to the disaster
20 begins—

21 (i) clause (i) of section 72(p)(2)(A) of
22 such Code shall be applied by substituting
23 “\$100,000” for “\$50,000”, and

24 (ii) clause (ii) of such section shall be
25 applied by substituting “the present value

1 of the nonforfeitable accrued benefit of the
2 employee under the plan” for “one-half of
3 the present value of the nonforfeitable ac-
4 crued benefit of the employee under the
5 plan”.

6 (B) DELAY OF REPAYMENT.—In the case
7 of a qualified individual (with respect to any
8 qualified disaster) with an outstanding loan on
9 or after the incident beginning date (of such
10 qualified disaster) from a qualified employer
11 plan (as defined in section 72(p)(4) of the In-
12 ternal Revenue Code of 1986)—

13 (i) if the due date pursuant to sub-
14 paragraph (B) or (C) of section 72(p)(2)
15 of such Code for any repayment with re-
16 spect to such loan occurs during the period
17 beginning on the incident beginning date of
18 such qualified disaster and ending on De-
19 cember 31 of the year after the year in
20 which the incident period with respect to
21 the disaster begins, such due date shall be
22 delayed for 1 year,

23 (ii) any subsequent repayments with
24 respect to any such loan shall be appro-
25 priately adjusted to reflect the delay in the

1 due date under subparagraph (A) and any
2 interest accruing during such delay, and

3 (iii) in determining the 5-year period
4 and the term of a loan under subpara-
5 graph (B) or (C) of section 72(p)(2) of
6 such Code, the period described in clause
7 (i) of this subparagraph shall be dis-
8 regarded.

9 (C) QUALIFIED INDIVIDUAL.—For pur-
10 poses of this paragraph, the term “qualified in-
11 dividual” means any individual—

12 (i) whose principal place of abode at
13 any time during the incident period of any
14 qualified disaster is located in the qualified
15 disaster area with respect to such qualified
16 disaster, and

17 (ii) who has sustained an economic
18 loss by reason of such qualified disaster.

19 (4) PROVISIONS RELATING TO PLAN AMEND-
20 MENTS.—

21 (A) IN GENERAL.—If this paragraph ap-
22 plies to any amendment to any plan or annuity
23 contract, such plan or contract shall be treated
24 as being operated in accordance with the terms

1 of the plan during the period described in sub-
2 paragraph (B)(ii)(I).

3 (B) AMENDMENTS TO WHICH SUBSECTION
4 APPLIES.—

5 (i) IN GENERAL.—This paragraph
6 shall apply to any amendment to any plan
7 or annuity contract which is made—

8 (I) pursuant to any provision of
9 this section, or pursuant to any regu-
10 lation issued by the Secretary or the
11 Secretary of Labor under any provi-
12 sion of this section, and

13 (II) on or before the last day of
14 the first plan year beginning on or
15 after January 1, 2020, or such later
16 date as the Secretary may prescribe.

17 In the case of a governmental plan (as de-
18 fined in section 414(d) of the Internal Rev-
19 enue Code of 1986), subclause (II) shall be
20 applied by substituting the date which is 2
21 years after the date otherwise applied
22 under subclause (II).

23 (ii) CONDITIONS.—This paragraph
24 shall not apply to any amendment unless—

25 (I) during the period—

1 (aa) beginning on the date
2 that this section or the regulation
3 described in clause (i)(I) takes
4 effect (or in the case of a plan or
5 contract amendment not required
6 by this subsection or such regula-
7 tion, the effective date specified
8 by the plan), and

9 (bb) ending on the date de-
10 scribed in subparagraph (A)(ii)
11 (or, if earlier, the date the plan
12 or contract amendment is adopt-
13 ed),

14 the plan or contract is operated as if such
15 plan or contract amendment were in effect,
16 and

17 (II) such plan or contract amend-
18 ment applies retroactively for such pe-
19 riod.

20 (d) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS
21 AFFECTED BY QUALIFIED DISASTERS.—

22 (1) IN GENERAL.—For purposes of section 38
23 of the Internal Revenue Code of 1986, in the case
24 of an eligible employer, the qualified disaster em-
25 ployee retention credit shall be treated as a credit

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

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

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

14 (i) which conducted an active trade or
15 business in a qualified disaster zone at any
16 time during the incident period of the
17 qualified disaster with respect to such
18 qualified disaster zone, and

19 (ii) with respect to whom the trade or
20 business described in clause (i) is inoper-
21 able at any time after the incident begin-
22 ning date of such qualified disaster, and
23 before January 1 of the year after the year
24 of such incident beginning date, as a result

1 of damage sustained by reason of such
2 qualified disaster.

3 (B) ELIGIBLE EMPLOYEE.—The term “eli-
4 gible employee” means with respect to an eligi-
5 ble employer an employee whose principal place
6 of employment at any time during the incident
7 period of the qualified disaster referred to in
8 subparagraph (A) with such eligible employer
9 was in the qualified disaster zone referred to in
10 such subparagraph.

11 (C) QUALIFIED WAGES.—The term “quali-
12 fied wages” means wages (as defined in section
13 51(c)(1) of the Internal Revenue Code of 1986,
14 but without regard to section 3306(b)(2)(B) of
15 such Code) paid or incurred by an eligible em-
16 ployer with respect to an eligible employee at
17 any time during the period described in sub-
18 paragraph (A)(ii), and which occurs during the
19 period—

20 (i) beginning on the date on which the
21 trade or business described in subpara-
22 graph (A) first became inoperable at the
23 principal place of employment of the em-
24 ployee immediately before the qualified dis-

1 aster referred to in such subparagraph,
2 and
3 (ii) ending on the date on which such
4 trade or business has resumed significant
5 operations at such principal place of em-
6 ployment.

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

14 (3) CERTAIN RULES TO APPLY.—For purposes
15 of this paragraph, rules similar to the rules of sec-
16 tions 51(i)(1), 52, and 280C(a), of the Internal Rev-
17 enue Code of 1986, shall apply.

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

1 (e) OTHER DISASTER-RELATED TAX RELIEF PROVI-
2 SIONS.—

3 (1) TEMPORARY SUSPENSION OF LIMITATIONS
4 ON CHARITABLE CONTRIBUTIONS.—

5 (A) IN GENERAL.—Except as otherwise
6 provided in subparagraph (B), subsection (b) of
7 section 170 of the Internal Revenue Code of
8 1986 shall not apply to qualified contributions
9 and such contributions shall not be taken into
10 account for purposes of applying subsections (b)
11 and (d) of such section to other contributions.

12 (B) TREATMENT OF EXCESS CONTRIBU-
13 TIONS.—For purposes of section 170 of the In-
14 ternal Revenue Code of 1986—

15 (i) INDIVIDUALS.—In the case of an
16 individual—

17 (I) LIMITATION.—Any qualified
18 contribution shall be allowed only to
19 the extent that the aggregate of such
20 contributions does not exceed the ex-
21 cess of the taxpayer's contribution
22 base (as defined in subparagraph (H)
23 of section 170(b)(1) of such Code)
24 over the amount of all other charitable

1 contributions allowed under section
2 170(b)(1) of such Code.

3 (II) CARRYOVER.—If the aggre-
4 gate amount of qualified contributions
5 made in the contribution year (within
6 the meaning of section 170(d)(1) of
7 such Code) exceeds the limitation of
8 subclause (I), such excess shall be
9 added to the excess described in the
10 portion of subparagraph (A) of such
11 section which precedes clause (i)
12 thereof for purposes of applying such
13 section.

14 (ii) CORPORATIONS.—In the case of a
15 corporation—

16 (I) LIMITATION.—Any qualified
17 contribution shall be allowed only to
18 the extent that the aggregate of such
19 contributions does not exceed the ex-
20 cess of the taxpayer's taxable income
21 (as determined under paragraph (2)
22 of section 170(b) of such Code) over
23 the amount of all other charitable con-
24 tributions allowed under such para-
25 graph.

1 (II) CARRYOVER.—Rules similar
2 to the rules of clause (i)(II) shall
3 apply for purposes of this clause.

4 (C) QUALIFIED CONTRIBUTIONS.—

5 (i) IN GENERAL.—For purposes of
6 this paragraph, the term “qualified con-
7 tribution” means any charitable contribu-
8 tion (as defined in section 170(c) of the In-
9 ternal Revenue Code of 1986) if—

10 (I) such contribution—

11 (aa) is made for relief ef-
12 forts in one or more qualified dis-
13 aster areas, and

14 (bb) is paid during the pe-
15 riod beginning on the first day of
16 the incident period for any such
17 disaster, and ending on Decem-
18 ber 31 of the year in which such
19 incident period begins, in cash to
20 an organization described in sec-
21 tion 170(b)(1)(A) of such Code,

22 (II) the taxpayer obtains from
23 such organization contemporaneous
24 written acknowledgment (within the
25 meaning of section 170(f)(8) of such

1 Code) that such contribution was used
2 (or is to be used) for relief efforts de-
3 scribed in subclause (I)(aa), and

4 (III) the taxpayer has elected the
5 application of this subsection with re-
6 spect to such contribution.

7 (ii) EXCEPTION.—Such term shall not
8 include a contribution by a donor if the
9 contribution is—

10 (I) to an organization described
11 in section 509(a)(3) of the Internal
12 Revenue Code of 1986, or

13 (II) for the establishment of a
14 new, or maintenance of an existing,
15 donor advised fund (as defined in sec-
16 tion 4966(d)(2) of such Code).

17 (iii) APPLICATION OF ELECTION TO
18 PARTNERSHIPS AND S CORPORATIONS.—In
19 the case of a partnership or S corporation,
20 the election under clause (i)(III) shall be
21 made separately by each partner or share-
22 holder.

23 (2) SPECIAL RULES FOR QUALIFIED DISASTER-
24 RELATED PERSONAL CASUALTY LOSSES.—

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

3 (i) the amount determined under sec-
4 tion 165(h)(2)(A)(ii) of the Internal Rev-
5 enue Code of 1986 shall be equal to the
6 sum of—

7 (I) such net disaster loss, and

8 (II) so much of the excess re-
9 ferred to in the matter preceding
10 clause (i) of section 165(h)(2)(A) of
11 such Code (reduced by the amount in
12 subclause (I) of this clause) as ex-
13 ceeds 10 percent of the adjusted gross
14 income of the individual,

15 (ii) section 165(h)(1) of such Code
16 shall be applied by substituting “\$500” for
17 “\$500 (\$100 for taxable years beginning
18 after December 31, 2009)”,

19 (iii) the standard deduction deter-
20 mined under section 63(c) of such Code
21 shall be increased by the net disaster loss,
22 and

23 (iv) section 56(b)(1)(E) of such Code
24 shall not apply to so much of the standard

1 deduction as is attributable to the increase
2 under clause (iii) of this subparagraph.

3 (B) NET DISASTER LOSS.—For purposes
4 of this paragraph, the term “net disaster loss”
5 means the excess of qualified disaster-related
6 personal casualty losses over personal casualty
7 gains (as defined in section 165(h)(3)(A) of the
8 Internal Revenue Code of 1986).

9 (C) QUALIFIED DISASTER-RELATED PER-
10 SONAL CASUALTY LOSSES.—For purposes of
11 this paragraph, the term “qualified disaster-re-
12 lated personal casualty losses” means losses de-
13 scribed in section 165(e)(3) of the Internal Rev-
14 enue Code of 1986 which arise in a qualified
15 disaster area on or after the incident beginning
16 date of the qualified disaster to which such area
17 relates, and which are attributable to such
18 qualified disaster.

19 (3) SPECIAL RULE FOR DETERMINING EARNED
20 INCOME.—

21 (A) IN GENERAL.—In the case of a quali-
22 fied individual, if the earned income of the tax-
23 payer for the applicable taxable year is less
24 than the earned income of the taxpayer for the
25 preceding taxable year, the credits allowed

1 under sections 24(d) and 32 of the Internal
2 Revenue Code of 1986 may, at the election of
3 the taxpayer, be determined by substituting—

4 (i) such earned income for the pre-
5 ceding taxable year, for

6 (ii) such earned income for the appli-
7 cable taxable year.

8 (B) QUALIFIED INDIVIDUAL.—For pur-
9 poses of this paragraph, the term “qualified in-
10 dividual” means any individual whose principal
11 place of abode at any time during the incident
12 period of any qualified disaster was located—

13 (i) in the qualified disaster zone with
14 respect to such qualified disaster, or

15 (ii) in the qualified disaster area with
16 respect to such qualified disaster (but out-
17 side the qualified disaster zone with re-
18 spect to such qualified disaster) and such
19 individual was displaced from such prin-
20 cipal place of abode by reason of such
21 qualified disaster.

22 (C) APPLICABLE TAXABLE YEAR.—The
23 term “applicable taxable year” means, with re-
24 spect to any qualified individual, any taxable
25 year which includes any day during the incident

1 period of the qualified disaster to which the
2 qualified disaster area referred to in subpara-
3 graph (B) relates.

4 (D) EARNED INCOME.—For purposes of
5 this paragraph, the term “earned income” has
6 the meaning given such term under section
7 32(c) of the Internal Revenue Code of 1986.

8 (E) SPECIAL RULES.—

9 (i) APPLICATION TO JOINT RE-
10 TURNS.—For purposes of subparagraph
11 (A), in the case of a joint return for an ap-
12 plicable taxable year—

13 (I) such subparagraph shall
14 apply if either spouse is a qualified in-
15 dividual, and

16 (II) the earned income of the tax-
17 payer for the preceding taxable year
18 shall be the sum of the earned income
19 of each spouse for such preceding tax-
20 able year.

21 (ii) UNIFORM APPLICATION OF ELEC-
22 TION.—Any election made under subpara-
23 graph (A) shall apply with respect to both
24 sections 24(d) and 32 of the Internal Rev-
25 enue Code of 1986.

1 (iii) ERRORS TREATED AS MATHE-
2 MATICAL ERROR.—For purposes of section
3 6213 of the Internal Revenue Code of
4 1986, an incorrect use on a return of
5 earned income pursuant to subparagraph
6 (A) shall be treated as a mathematical or
7 clerical error.

8 (iv) NO EFFECT ON DETERMINATION
9 OF GROSS INCOME, ETC.—Except as other-
10 wise provided in this paragraph, the Inter-
11 nal Revenue Code of 1986 shall be applied
12 without regard to any substitution under
13 subparagraph (A).

14 (f) TREATMENT OF CERTAIN POSSESSIONS.—

15 (1) PAYMENTS TO GUAM AND THE COMMON-
16 WEALTH OF THE NORTHERN MARIANA ISLANDS.—
17 The Secretary of the Treasury shall pay to Guam
18 and the Commonwealth of the Northern Mariana Is-
19 lands amounts equal to the loss to that possession
20 by reason of the application of the provisions of this
21 section. Such amounts shall be determined by the
22 Secretary of the Treasury based on information pro-
23 vided by the government of the respective possession.

24 (2) PAYMENTS TO AMERICAN SAMOA.—

1 (A) IN GENERAL.—The Secretary of the
2 Treasury shall pay to American Samoa
3 amounts estimated by the Secretary of the
4 Treasury as being equal to the aggregate bene-
5 fits that would have been provided to residents
6 of American Samoa by reason of the provisions
7 of this section if a mirror code tax system had
8 been in effect in American Samoa. The pre-
9 ceding sentence shall not apply unless American
10 Samoa has a plan, which has been approved by
11 the Secretary of the Treasury, under which
12 American Samoa will promptly distribute such
13 payments to its residents.

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

23 (3) TREATMENT OF PAYMENTS.—For purposes
24 of section 1324 of title 31, United States Code, the
25 payments under this section shall be treated in the

1 same manner as a refund due from a credit provi-
2 sion referred to in subsection (b)(2) of such section.

3 (g) AUTOMATIC EXTENSION OF FILING DEAD-
4 LINE.—

5 (1) IN GENERAL.—Section 7508A is amended
6 by adding at the end the following new subsection:

7 “(d) MANDATORY 60-DAY EXTENSION.—In the case
8 of—

9 “(1) any individual whose principal place of
10 abode is in a disaster area (as defined in section
11 165(i)(5)(B)), and

12 “(2) any taxpayer if the taxpayer’s principal
13 place of business (other than the business of per-
14 forming services of an employee) is located in a dis-
15 aster area (as so defined),

16 the period beginning on the earliest incident date specified
17 in the declaration to which such area relates and ending
18 on the date which is 60 days after the latest incident date
19 so specified shall be disregarded in the same manner as
20 a period specified under subsection (a).”.

21 (2) EFFECTIVE DATE.—The amendment made
22 by this subsection shall apply to federally declared
23 disasters declared after December 31, 2018.

