AMENDMENT TO
RULES COMMITTEE PRINT 115-39
OFFERED BY MR. GRAVES OF LOUISIANA

At the end, add the following:

TITLE VI—DISASTER RELIEF

SEC. 6000. QUALIFIED DISASTER AREA.

For purposes of this title—

(1) QUALIFIED DISASTER AREA.—The term “qualified disaster area” means an area with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act on or after January 1, 2016, and with respect to which more than $1,000,000,000 in disaster relief is provided by the Federal Government.

(2) CORE DISASTER AREA.—The term “core disaster area” means that portion of the qualified disaster area determined by the President to warrant individual or individual and public assistance from the Federal Government under such Act.

(3) APPLICABLE DISASTER DATE.—The term “applicable disaster date” means, with respect to any qualified disaster area, the first day of the dis-
aster which gives rise to the Presidential declaration described in paragraph (1).

(4) REFERENCES.—Any reference in this title to a provision of the Internal Revenue Code of 1986 which is repealed by this Act shall be treated as a reference to such provision as in effect before such repeal.

Subtitle A—Special Rules for Use of Retirement Funds for Relief Relating to Qualified Disaster Areas

SEC. 6001. TAX-FAVORED WITHDRAWALS FROM RETIREMENT PLANS FOR RELIEF RELATING TO QUALIFIED DISASTER AREAS.

(a) IN GENERAL.—Section 72(t) of the Internal Revenue Code of 1986 shall not apply to any qualified disaster distribution.

(b) AGGREGATE DOLLAR LIMITATION.—

(1) IN GENERAL.—For purposes of this section, the aggregate amount of distributions received by an individual which may be treated as qualified disaster distributions for any taxable year shall not exceed the excess (if any) of—

(A) $100,000, over
(B) the aggregate amounts treated as qualified disaster distributions received by such individual for all prior taxable years.

(2) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual would (without regard to paragraph (1)) be a qualified disaster distribution, a plan shall not be treated as violating any requirement of the Internal Revenue Code of 1986 merely because the plan treats such distribution as a qualified disaster distribution, unless the aggregate amount of such distributions from all plans maintained by the employer (and any member of any controlled group which includes the employer) to such individual exceeds $100,000.

(3) CONTROLLED GROUP.—For purposes of paragraph (2), the term “controlled group” means any group treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of such Code.

(e) AMOUNT DISTRIBUTED MAY BE REPAYED.—

(1) IN GENERAL.—Any individual who receives a qualified disaster distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, make one or more contributions in an aggregate
amount not to exceed the amount of such distribution to an eligible retirement plan of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16) of such Code, as the case may be.

(2) Treatment of repayments of distributions from eligible retirement plans other than IRAs.—For purposes of such Code, if a contribution is made pursuant to paragraph (1) with respect to a qualified disaster distribution from an eligible retirement plan other than an individual retirement plan, then the taxpayer shall, to the extent of the amount of the contribution, be treated as having received the qualified disaster distribution in an eligible rollover distribution (as defined in section 402(c)(4) of such Code) and as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(3) Treatment of repayments for distributions from IRAs.—For purposes of such Code, if a contribution is made pursuant to paragraph (1) with respect to a qualified disaster distribution from an individual retirement plan (as de-
fined by section 7701(a)(37) of such Code), then, to the extent of the amount of the contribution, the qualified disaster distribution shall be treated as a distribution described in section 408(d)(3) of such Code and as having been transferred to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(d) DEFINITIONS.—For purposes of this section—

(1) QUALIFIED DISASTER DISTRIBUTION.—Except as provided in subsection (b), the term “qualified disaster distribution” means any distribution from an eligible retirement plan made on or after the applicable disaster date, to an individual whose principal residence on or after such date, is located in the qualified disaster area and who has sustained an economic loss by reason of the disaster giving rise to the Presidential declaration described in section 6000(1).

(2) ELIGIBLE RETIREMENT PLAN.—The term “eligible retirement plan” shall have the meaning given such term by section 402(c)(8)(B) of such Code.

(e) INCOME INCLUSION SPREAD OVER 3-YEAR PERIOD FOR QUALIFIED DISASTER DISTRIBUTIONS.—
(1) IN GENERAL.—In the case of any qualified disaster distribution, unless the taxpayer elects not to have this subsection apply for any taxable year, any amount required to be included in gross income for such taxable year shall be so included ratably over the 3-taxable-year period beginning with such taxable year.

(2) SPECIAL RULE.—For purposes of paragraph (1), rules similar to the rules of subparagraph (E) of section 408A(d)(3) of such Code shall apply.

(f) SPECIAL RULES.—

(1) EXEMPTION OF DISTRIBUTIONS FROM TRUSTEE TO TRUSTEE TRANSFER AND WITHHOLDING RULES.—For purposes of sections 401(a)(31), 402(f), and 3405 of such Code, qualified disaster distributions shall not be treated as eligible rollover distributions.

(2) QUALIFIED DISASTER DISTRIBUTIONS TREATED AS MEETING PLAN DISTRIBUTION REQUIREMENTS.—For purposes of such Code, a qualified disaster distribution shall be treated as meeting the requirements of sections 401(k)(2)(B)(i), 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A) of such Code.
SEC. 6002. RECONTRIBUTIONS OF WITHDRAWALS FOR HOME PURCHASES CANCELED DUE TO QUALIFIED DISASTERS.

(a) RECONTRIBUTIONS.—

(1) IN GENERAL.—Any individual who received a qualified distribution may, during the 1-year period beginning on the applicable disaster date, make one or more contributions in an aggregate amount not to exceed the amount of such qualified distribution to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Internal Revenue Code of 1986) of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(b)(8), or 408(d)(3) of such Code, as the case may be.

(2) TREATMENT OF REPAYMENTS.—Rules similar to the rules of paragraphs (2) and (3) of section 101(c) of this Act shall apply for purposes of this section.

(b) QUALIFIED DISTRIBUTION DEFINED.—For purposes of this section, the term “qualified distribution” means any distribution—

(1) described in section 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but only to the extent such dis-
tribution relates to financial hardship),
403(b)(11)(B), or 72(t)(2)(F) of such Code,
(2)(A) received during the 1-year period ending
on the applicable disaster date,
(B) which was to be used to purchase or con-
struct a principal residence in the qualified disaster
area, but which was not so purchased or constructed
on account of the disaster giving rise to the Presi-
dential declaration described in section 6000(1).
SEC. 6003. LOANS FROM QUALIFIED PLANS FOR RELIEF RE-
LATING TO QUALIFIED DISASTER.
(a) INCREASE IN LIMIT ON LOANS NOT TREATED AS
DISTRIBUTIONS.—In the case of any loan from a qualified
employer plan (as defined under section 72(p)(4) of the
Internal Revenue Code of 1986) to a qualified individual
made during the 1-year period after the applicable disaster
date—
(1) clause (i) of section 72(p)(2)(A) of such
Code shall be applied by substituting “$100,000”
for “$50,000”, and
(2) clause (ii) of such section shall be applied
by substituting “the present value of the nonforfeit-
able accrued benefit of the employee under the plan”
for “one-half of the present value of the nonforfeit-
able accrued benefit of the employee under the plan’.

(b) DELAY OF REPAYMENT.—In the case of a qualified individual with an outstanding loan on or after the date that is 5 days before the applicable disaster date, from a qualified employer plan (as defined in section 72(p)(4) of such Code)—

(1) if the due date pursuant to subparagraph (B) or (C) of section 72(p)(2) of such Code for any repayment with respect to such loan occurs during the 1-year period beginning on the date that is 5 days before the applicable disaster date, such due date shall be delayed for 1 year,

(2) any subsequent repayments with respect to any such loan shall be appropriately adjusted to reflect the delay in the due date under paragraph (1) and any interest accruing during such delay, and

(3) in determining the 5-year period and the term of a loan under subparagraph (B) or (C) of section 72(p)(2) of such Code, the period described in paragraph (1) shall be disregarded.

(c) QUALIFIED INDIVIDUAL.—For purposes of this section, the term “qualified individual” means an individual whose principal place of abode on the date that is 5 days before the applicable disaster date, is located in
the qualified disaster area and who has sustained an eco-

nomic loss by reason of the disaster giving rise to the Pres-

idential declaration described in section 6000(1).

SEC. 6004. PROVISIONS RELATING TO PLAN AMENDMENTS.

(a) In General.—If this section applies to any

amendment to any plan or annuity contract, such plan or

contract shall be treated as being operated in accordance

with the terms of the plan during the period described in

subsection (b)(2)(A).

(b) Amendments to Which Section Applies.—

(1) In General.—This section shall apply to

any amendment to any plan or annuity contract

which is made—

(A) pursuant to any amendment made by

this title, or pursuant to any regulation issued

by the Secretary of the Treasury or the Sec-

retary of Labor under this title, and

(B) on or before the last day of the first

plan year beginning after the 1-year period be-

ginning on the applicable disaster date, or such

later date as the Secretary of the Treasury may

prescribe.

In the case of a governmental plan (as defined in

section 414(d) of the Internal Revenue Code of

1986), subparagraph (B) shall be applied by sub-
stituting the date which is 2 years after the date otherwise applied under subparagraph (B).

(2) CONDITIONS.—This section shall not apply to any amendment unless—

(A) during the period—

(i) beginning on the date the legislative or regulatory amendment described in paragraph (1)(A) takes effect (or in the case of a plan or contract amendment not required by such legislative or regulatory amendment, the effective date specified by the plan), and

(ii) ending on the date described in paragraph (1)(B) (or, if earlier, the date the plan or contract amendment is adopted),

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

(B) such plan or contract amendment applies retroactively for such period.
Subtitle B—Employment Relief

SEC. 6101. WORK OPPORTUNITY TAX CREDIT FOR QUALIFIED DISASTER EMPLOYEES.

(a) In General.—For purposes of section 51 of the Internal Revenue Code of 1986, a qualified disaster employee shall be treated as a member of a targeted group.

(b) Qualified Disaster Employee.—For purposes of this section, the term “qualified disaster employee” means—

(1) any individual who on the applicable disaster date, had a principal place of abode in the core disaster area and who is hired before the end of the 1-year period beginning on the applicable disaster date, for a position the principal place of employment of which is located in the core disaster area, and

(2) any individual who on such date had a principal place of abode in the core disaster area, who is displaced from such abode by reason of the disaster giving rise to the Presidential declaration described in section 6000(1), and who is hired during the 1-year period beginning on such date.

(c) Reasonable Identification Acceptable.—In lieu of the certification requirement under section 51(d)(13)(A) of such Code, an individual may provide to
the employer reasonable evidence that the individual is a qualified disaster employee, and subparagraph (B) of such section shall be applied as if such evidence were a certification described in such subparagraph.

(d) Special Rules for Determining Credit.—

For purposes of applying subpart F of part IV of subchapter A of chapter 1 of such Code to wages paid or incurred to any qualified disaster employee—

(1) section 51(c)(4) of such Code shall not apply, and

(2) section 51(i)(2) of such Code shall not apply with respect to the first hire of such employee as a qualified disaster employee, unless such employee was an employee of the employer on the applicable disaster date.

SEC. 6102. EMPLOYEE RETENTION CREDIT FOR EMPLOYERS AFFECTED BY QUALIFIED DISASTER.

(a) In General.—In the case of an eligible employer, there shall be allowed as a credit against the tax imposed by chapter 1 of the Internal Revenue Code of 1986 for the taxable year an amount equal to 40 percent of the qualified wages with respect to each eligible employee of such employer for such taxable year. For purposes of the preceding sentence, the amount of qualified
wages which may be taken into account with respect to any individual shall not exceed $6,000.

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

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

(A) which conducted an active trade or business on the applicable disaster date, in a core disaster area, and

(B) with respect to whom the trade or business described in subparagraph (A) is inoperative on or after the applicable disaster date, and before the end of the 1-year period beginning on such date, as a result of damage sustained by reason of the disaster giving rise to the Presidential declaration described in section 6000(1).

(2) ELIGIBLE EMPLOYEE.—The term “eligible employee” means with respect to an eligible employer an employee whose principal place of employment on the applicable disaster date, with such eligible employer was in a core disaster area.

(3) QUALIFIED WAGES.—The term “qualified wages” means wages (as defined in section 51(c)(1) of such Code, but without regard to section 3306(b)(2)(B) of such Code) paid or incurred by an
eligible employer with respect to an eligible employee
during the 1-year period beginning on the applicable
disaster date, which occurs during the period—

   (A) beginning on the date on which the
trade or business described in paragraph (1)
first became inoperable at the principal place of
employment of the employee immediately before
the disaster giving rise to the Presidential decla-
ration described in section 6000(1), and

   (B) ending on the date on which such
trade or business has resumed significant oper-
ations at such principal place of employment.

Such term shall include wages paid without regard
to whether the employee performs no services, per-
forms services at a different place of employment
than such principal place of employment, or per-
forms services at such principal place of employment
before significant operations have resumed.

   (c) CREDIT NOT ALLOWED FOR LARGE BUSI-
NESSSES.—The term “eligible employer” shall not include
any trade or business for any taxable year if such trade
or business employed an average of more than 200 em-
ployees on business days during the taxable year.
(d) Certain Rules To Apply.—For purposes of this section, rules similar to the rules of sections 51(i)(1), 52, and 280C(a) of such Code shall apply.

(e) Employee Not Taken Into Account More Than Once.—An employee shall not be treated as an eligible employee for purposes of this section for any period with respect to any employer if such employer is allowed a credit under section 51 of such Code with respect to such employee for such period.

(f) Credit To Be Part of General Business Credit.—The credit allowed under this section shall be added to the current year business credit under section 38(b) of such Code and shall be treated as a credit allowed under subpart D of part IV of subchapter A of chapter 1 of such Code.

Subtitle C—Charitable Giving Incentives

Sec. 6201. Temporary Suspension of Limitations on Charitable Contributions.

(a) In General.—Except as otherwise provided in subsection (b), section 170(b) of the Internal Revenue Code of 1986 shall not apply to qualified contributions and such contributions shall not be taken into account for purposes of applying subsections (b) and (d) of section 170 of such Code to other contributions.
TREATMENT OF EXCESS CONTRIBUTIONS.—For purposes of section 170 of such Code—

(1) INDIVIDUALS.—In the case of an individual—

(A) LIMITATION.—Any qualified contribution shall be allowed only to the extent that the aggregate of such contributions does not exceed the excess of the taxpayer’s contribution base (as defined in subparagraph (G) of section 170(b)(1) of such Code) over the amount of all other charitable contributions allowed under such section 170(b)(1).

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

(2) CORPORATIONS.—In the case of a corporation—

(A) LIMITATION.—Any qualified contribution shall be allowed only to the extent that the
aggregate of such contributions does not exceed
the excess of the taxpayer’s taxable income (as
determined under paragraph (2) of section
170(b) of such Code) over the amount of all
other charitable contributions allowed under
such paragraph.

(B) CARRYOVER.—Rules similar to the
rules of paragraph (1)(B) shall apply for pur-
poses of this paragraph.

c) EXCEPTION TO OVERALL LIMITATION ON
ITEMIZED DEDUCTIONS.—So much of any deduction al-
lowed under section 170 of such Code as does not exceed
the qualified contributions paid during the taxable year
shall not be treated as an itemized deduction for purposes
of section 68 of such Code.

d) QUALIFIED CONTRIBUTIONS.—
(1) IN GENERAL.—For purposes of this section,
the term “qualified contribution” means any chari-
table contribution (as defined in section 170(c) of
such Code)—
(A) paid during the 1-year period begin-
ing on the applicable disaster date, in cash to
an organization described in section
170(b)(1)(A) of such Code (other than an orga-
organization described in section 509(a)(3) of such Code),

(B) in the case of a contribution paid by a corporation, such contribution is for relief efforts related to the disaster giving rise to the Presidential declaration described in section 6000(1), and

(C) with respect to which the taxpayer has elected the application of this section.

(2) EXCEPTION.—Such term shall not include a contribution if the contribution is for establishment of a new, or maintenance in an existing, segregated fund or account with respect to which the donor (or any person appointed or designated by such donor) has, or reasonably expects to have, advisory privileges with respect to distributions or investments by reason of the donor’s status as a donor.

(3) APPLICATION OF ELECTION TO PARTNER-SHIPS AND S CORPORATIONS.—In the case of a partnership or S corporation, the election under paragraph (1)(C) shall be made separately by each partner or shareholder.
SEC. 6202. ADDITIONAL EXEMPTION FOR HOUSING QUALIFIED DISASTER INDIVIDUALS.

(a) IN GENERAL.—In the case of taxable years of a natural person beginning in the calendar year which includes the applicable disaster date or the following calendar year, for purposes of the Internal Revenue Code of 1986, taxable income shall be reduced by $600 for each qualified disaster individual of the taxpayer for the taxable year.

(b) LIMITATIONS.—

(1) DOLLAR LIMITATION.—The reduction under subsection (a) shall not exceed $2,500, reduced by the amount of the reduction under this section for all prior taxable years.

(2) INDIVIDUALS TAKEN INTO ACCOUNT ONLY ONCE.—An individual shall not be taken into account under subsection (a) if such individual was taken into account under such subsection by the taxpayer for any prior taxable year.

(3) IDENTIFYING INFORMATION REQUIRED.—An individual shall not be taken into account under subsection (a) for a taxable year unless the taxpayer identification number of such individual is included on the return of the taxpayer for such taxable year.

(c) QUALIFIED DISASTER INDIVIDUAL.—For purposes of this section, the term “qualified disaster individual”
means, with respect to any taxpayer for any taxable year, any natural person if—

(1) such person’s principal place of abode on the applicable disaster date, was in the qualified disaster area,

(2)(A) in the case of such an abode located in the core disaster area, such person is displaced from such abode, or

(B) in the case of such an abode located outside of the core disaster area, such person is displaced from such abode, and—

(i) such abode was damaged by the disaster giving rise to the Presidential declaration described in section 6000(1), or

(ii) such person was evacuated from such abode by reason of such storms and flooding, and

(3) such person is provided housing free of charge by the taxpayer in the principal residence of the taxpayer for a period of 60 consecutive days which ends in such taxable year.

Such term shall not include the spouse or any dependent of the taxpayer.

(d) COMPENSATION FOR HOUSING.—No deduction shall be allowed under this section if the taxpayer receives
any rent or other amount (from any source) in connection
with the providing of such housing.

SEC. 6203. INCREASE IN STANDARD MILEAGE RATE FOR
CHARITABLE USE OF VEHICLES.

Notwithstanding section 170(i) of the Internal Rev-

ever Code of 1986, for purposes of computing the deduc-
tion under section 170 of such Code for use of a vehicle
described in subsection (f)(12)(E)(i) of such section for
provision of relief during the 1-year period beginning on
the applicable disaster date, and related to the disaster
giving rise to the Presidential declaration described in sec-
tion 6000(1), the standard mileage rate shall be 70 per-
cent of the standard mileage rate in effect under section
162(a) of such Code at the time of such use. Any increase
under this section shall be rounded to the next highest
cent.

SEC. 6204. MILEAGE REIMBURSEMENTS TO CHARITABLE
VOLUNTEERS EXCLUDED FROM GROSS IN-
COME.

(a) IN GENERAL.—For purposes of the Internal Rev-

ever Code of 1986, gross income of an individual for tax-
able years ending on or after the applicable disaster date,
does not include amounts received, from an organization
described in section 170(c) of such Code, as reimburse-
ment of operating expenses with respect to use of a pas-
senger automobile for the benefit of such organization in connection with providing relief during the 1-year period beginning on the applicable disaster date, and relating to the disaster giving rise to the Presidential declaration described in section 6000(1). The preceding sentence shall apply only to the extent that the expenses which are reim-
bursed would be deductible under chapter 1 of such Code if section 274(d) of such Code were applied—

(1) by using the standard business mileage rate in effect under section 162(a) at the time of such use, and

(2) as if the individual were an employee of an organization not described in section 170(c) of such Code.

(b) Application To Volunteer Services Only.—Subsection (a) shall not apply with respect to any expenses relating to the performance of services for compensation.

(c) No Double Benefit.—No deduction or credit shall be allowed under any other provision of such Code with respect to the expenses excludable from gross income under subsection (a).
SEC. 6205. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF BOOK INVENTORIES TO PUBLIC SCHOOLS.

(a) IN GENERAL.—For purposes of section 170 of the Internal Revenue Code of 1986, subsection (e)(3)(D) shall be applied—

(1) as if clause (iv) thereof applied to the 1-year period beginning on the applicable disaster date, and

(2) to a qualified book contribution to a public school located in the core disaster area.

(b) QUALIFIED BOOK CONTRIBUTION.—For purposes of subsection (a), the term “qualified book contribution” has the meaning given such term by section 170(e)(3)(D)(ii) of the Internal Revenue Code of 1986.

Subtitle D—Additional Tax Relief Provisions

SEC. 6301. EXCLUSIONS OF CERTAIN CANCELLATIONS OF INDEBTEDNESS BY REASON OF QUALIFIED DISASTER.

(a) IN GENERAL.—For purposes of the Internal Revenue Code of 1986, gross income shall not include any amount which (but for this section) would be includible in gross income by reason of the discharge (in whole or in part) of indebtedness of a natural person described in subsection (b) by an applicable entity (as defined in section 6050P(c)(1) of such Code).
(b) Persons Described.—A natural person is described in this subsection if the principal place of abode of such person on the applicable disaster date, was located—

(1) in the core disaster area, or

(2) in the qualified disaster area (but outside the core disaster area) and such person suffered economic loss by reason of the disaster giving rise to the Presidential declaration described in section 6000(1).

(c) Exceptions.—

(1) Business Indebtedness.—Subsection (a) shall not apply to any indebtedness incurred in connection with a trade or business.

(2) Real Property Outside Core Disaster Area.—Subsection (a) shall not apply to any discharge of indebtedness to the extent that real property constituting security for such indebtedness is located outside of the qualified disaster area.

(d) Denial of Double Benefit.—For purposes of the Internal Revenue Code of 1986, the amount excluded from gross income under subsection (a) shall be treated in the same manner as an amount excluded under section 108(a) of such Code.
(c) Effective Date.—This section shall apply to discharges made during the 1-year period beginning on the applicable disaster date.

SEC. 6302. SUSPENSION OF CERTAIN LIMITATIONS ON PERSONAL CASUALTY LOSSES.

Paragraphs (1) and (2)(A) of section 165(h) of the Internal Revenue Code of 1986 shall not apply to losses described in section 165(c)(3) of such Code which arise in the qualified disaster area on or after the applicable disaster date, and which are attributable to the disaster giving rise to the Presidential declaration described in section 6000(1). In the case of any other losses, section 165(h)(2)(A) of such Code shall be applied without regard to the losses referred to in the preceding sentence.

SEC. 6303. REQUIRED EXERCISE OF AUTHORITY UNDER SECTION 7508A FOR TAX RELIEF RELATING TO QUALIFIED DISASTER.

(a) In General.—In the case of any taxpayer determined by the Secretary of the Treasury to be affected by the Presidentially declared disaster relating to the disaster giving rise to the Presidential declaration described in section 6000(1)—

(1) any relief provided by the Secretary of the Treasury under section 7508A of the Internal Revenue Code of 1986 shall be for a period ending not
earlier than the end of the 1-year period beginning on the applicable disaster date, and shall be treated as applying to the filing of returns relating to, and the payment of, employment and excise taxes; and

(2) with respect to any income tax liability, the Secretary of the Treasury shall abate any interest, penalty, additional amount, or addition to tax which accrued during the 1-year period beginning on .

(b) EFFECTIVE DATE.—Subsection (a) shall apply for any period for performing an act which has not expired before the applicable disaster date.

SEC. 6304. SPECIAL RULES FOR MORTGAGE REVENUE BONDS RELATING TO QUALIFIED DISASTER.

(a) IN GENERAL.—In the case of financing provided with respect to a qualified disaster recovery residence, section 143(d) of the Internal Revenue Code of 1986 shall be applied as if such residence were a targeted area residence.

(b) QUALIFIED DISASTER RECOVERY RESIDENCE.—For purposes of this section, the term “qualified disaster recovery residence” means—

(1) any residence in the core disaster area, and

(2) any other residence if—
(A) such other residence is located in the
same State as the principal residence referred
to in subparagraph (B), and

(B) the mortgagor with respect to such
other residence owned a principal residence on
the applicable disaster date, which—

(i) was located in the qualified dis-
aster area, and

(ii) was rendered uninhabitable by
reason of the disaster giving rise to the
Presidential declaration described in sec-
tion 6000(1).

(c) Special Rule for Home Improvement
Loans.—In the case of any loan with respect to a resi-
dence in the qualified disaster area, section 143(k)(4) of
such Code shall be applied by substituting $150,000 for
the dollar amount contained therein to the extent such
loan is for the repair of damage by reason of the disaster
giving rise to the Presidential declaration described in sec-
tion 6000(1).

(d) Application.—Subsection (a) shall not apply to
financing provided after the end of the 1-year period be-
ginning on the applicable disaster date.
SEC. 6305. EXTENSION OF REPLACEMENT PERIOD FOR
NONRECOGNITION OF GAIN FOR PROPERTY
LOCATED IN QUALIFIED DISASTER AREA.

Section 1033(a)(2)(B)(i) of the Internal Revenue
Code of 1986 shall be applied by substituting “5 years”
for “2 years” with respect to property in the qualified dis-
aster area which is compulsorily or involuntarily converted
on or after the applicable disaster date, by reason of the
disaster giving rise to the Presidential declaration de-
scribed in section 6000(1), but only if substantially all of
the use of the replacement property is in such area.

SEC. 6306. SPECIAL RULE FOR DETERMINING EARNED IN-
COME.

(a) In General.—In the case of a qualified indi-
vidual, if the earned income of the taxpayer for the taxable
year which includes the applicable disaster date, is less
than the earned income of the taxpayer for the preceding
taxable year, the credits allowed under sections 24(d) and
32 of the Internal Revenue Code of 1986 may, at the elec-
tion of the taxpayer, be determined by substituting—

(1) such earned income for the preceding tax-
able year, for

(2) such earned income for the taxable year
which includes the applicable disaster date.

(b) Qualified Individual.—For purposes of this
section, the term “qualified individual” means any indi-
individual whose principal place of abode on the applicable disaster date, was located—

(1) in the core disaster area, or

(2) in the qualified disaster area (but outside the core disaster area) and such individual was displaced from such principal place of abode by reason of the disaster giving rise to the Presidential declaration described in section 6000(1).

(e) EARNED INCOME.—For purposes of this section, the term “earned income” has the meaning given such term under section 32(e) of such Code.

(d) SPECIAL RULES.—

(1) APPLICATION TO JOINT RETURNS.—For purposes of subsection (a), in the case of a joint return for a taxable year which includes the applicable disaster date—

(A) such subsection shall apply if either spouse is a qualified individual, and

(B) the earned income of the taxpayer for the preceding taxable year shall be the sum of the earned income of each spouse for such preceding taxable year.

(2) UNIFORM APPLICATION OF ELECTION.—

Any election made under subsection (a) shall apply
with respect to both section 24(d) and section 32 of such Code.

(3) **Errors treated as mathematical error.**—For purposes of section 6213 of such Code, an incorrect use on a return of earned income pursuant to subsection (a) shall be treated as a mathematical or clerical error.

(4) **No effect on determination of gross income, etc.**—Except as otherwise provided in this section, the Internal Revenue Code of 1986 shall be applied without regard to any substitution under subsection (a).

**SEC. 6307. SECRETARIAL AUTHORITY TO MAKE ADJUSTMENTS REGARDING TAXPAYER AND DEPENDENCY STATUS.**

With respect to taxable years beginning in the calendar year which includes the applicable disaster date or the following calendar year, the Secretary of the Treasury or the Secretary’s delegate may make such adjustments in the application of the internal revenue laws as may be necessary to ensure that taxpayers do not lose any deduction or credit or experience a change of filing status by reason of temporary relocations by reason of the disaster giving rise to the Presidential declaration described in section 6000(1). Any adjustments made under the preceding
sentence shall ensure that an individual is not taken into account by more than one taxpayer with respect to the same tax benefit.

SEC. 6308. LOW-INCOME HOUSING CREDIT.

(a) ADDITIONAL HOUSING CREDIT DOLLAR AMOUNT.—

(1) IN GENERAL.—For purposes of section 42 of the Internal Revenue Code of 1986, in the case of the calendar year which includes the applicable disaster date and the following 2 calendar years, the State housing credit ceiling of any State any portion of which is in the qualified disaster area shall be increased by the lesser of—

(A) the aggregate housing credit dollar amount allocated by the State housing credit agency of such State to buildings located in the qualified disaster area for such calendar year, or

(B) the qualified disaster housing amount for such State for such calendar year.

(2) QUALIFIED DISASTER HOUSING AMOUNT.—

For purposes of paragraph (1), the term “qualified disaster housing amount” means, for any calendar year, the amount equal to the product of $18.00 multiplied by the portion of the State’s population
which is in the qualified disaster area (as determined on the basis of the most recent census estimate of resident population released by the Bureau of the Census before August 28, 2016).

(3) Allocations treated as made first from additional allocation amount for purposes of determining carryover.—For purposes of determining the unused State housing credit ceiling under section 42(h)(3)(C) of such Code for any calendar year, any increase in the State housing credit ceiling under paragraph (1) shall be treated as an amount described in clause (ii) of such section.

(b) Additional Housing Credit Dollar Amount for States.—For purposes of section 42 of such Code, in the case of any calendar year which includes the applicable disaster date and the following calendar year, the State housing credit ceiling of each State any portion of which is a qualified disaster area shall each be increased by $3,500,000.

(c) Difficult Development Area.—

(1) In general.—For purposes of section 42 of such Code, in the case of property placed in service during the 3-year period beginning on the applicable disaster date, the qualified disaster area—
(A) shall be treated as difficult development areas designated under subclause (I) of section 42(d)(5)(B)(iii) of such Code, and

(B) shall not be taken into account for purposes of applying the limitation under subclause (II) of such section.

(2) APPLICATION.—Paragraph (1) shall apply only to—

(A) housing credit dollar amounts allocated during the period beginning on the calendar year after the calendar year which includes the applicable disaster date, and

(B) buildings placed in service during the period described in paragraph (1) to the extent that paragraph (1) of section 42(h) does not apply to any building by reason of paragraph (4) thereof, but only with respect to bonds issued after the end of the calendar year which includes the applicable disaster date.

(d) SPECIAL RULE FOR APPLYING INCOME TESTS.—

In the case of property placed in service—

(1) during the calendar year that includes the applicable disaster date or the following 2 calendar years,

(2) in the qualified disaster area, and
(3) in a nonmetropolitan area (as defined in section 42(d)(5)(B)(iv)(IV)), section 42 of such Code shall be applied by substituting “national nonmetropolitan median gross income (determined under rules similar to the rules of section 142(d)(2)(B))” for “area median gross income” in sub-paragraphs (A) and (B) of section 42(g)(1) of such Code.

(e) Definitions.—Any term used in this section which is also used in section 42 shall have the same meaning as when used in such section.

SEC. 6309. APPLICATION OF NEW MARKETS TAX CREDIT TO INVESTMENTS IN COMMUNITY DEVELOPMENT ENTITIES SERVING QUALIFIED DISASTER AREA.

For purposes of section 45D of the Internal Revenue Code of 1986—

(1) a qualified community development entity shall be eligible for an allocation under subsection (f)(2) thereof of the increase in the new markets tax credit limitation described in paragraph (2) only if a significant mission of such entity is the recovery and redevelopment of the qualified disaster area,

(2) the new markets tax credit limitation otherwise determined under subsection (f)(1) thereof shall be increased by an amount equal to—
(A) $300,000,000 for the calendar year that includes the applicable disaster date and the following calendar year, to be allocated among qualified community development entities to make qualified low-income community investments within the qualified disaster area, and

(B) $400,000,000 for the calendar year after the calendar years referred to in subparagraph (A), to be so allocated, and

(3) subsection (f)(3) thereof shall be applied separately with respect to the amount of the increase under paragraph (2).

SEC. 6310. TAX-EXEMPT BOND FINANCING.

(a) IN GENERAL.—For purposes of the Internal Revenue Code of 1986—

(1) any qualified disaster area bond described in paragraph (2)(A)(i) shall be treated as an exempt facility bond, and

(2) any qualified disaster area bond described in paragraph (2)(A)(ii) shall be treated as a qualified mortgage bond.

(b) QUALIFIED DISASTER AREA BOND.—For purposes of this subsection, the term “qualified disaster area bond” means any bond issued as part of an issue if—
(1)(A) 95 percent or more of the net proceeds (as defined in section 150(a)(3) of such Code) of such issue are to be used for qualified project costs, or

(B) such issue meets the requirements of a qualified mortgage issue, except as otherwise provided in this subsection,

(2) such bond is issued by any State any portion of which is a qualified disaster area, or any political subdivision thereof,

(3) such bond is designated for purposes of this section by—

(A) in the case of a bond which is required under State law to be approved by the bond commission of any State any portion of which is a qualified disaster area, such bond commission, and

(B) in the case of any other bond, the Governor of any State any portion of which is a qualified disaster area,

(4) such bond is issued after the date of the enactment of this section and before the end of the 5th calendar year beginning after the applicable disaster date, and
(5) no portion of the proceeds of such issue is to be used to provide any property described in section 144(c)(6)(B) of such Code.

(c) LIMITATION ON BONDS.—

(1) AGGREGATE AMOUNT DESIGNATED.—The maximum aggregate face amount of bonds which may be designated under this subsection with respect to any State shall not exceed the product of $2,500 multiplied by the portion of the State population which is in the qualified disaster area (as determined on the basis of the most recent census estimate of resident population released by the Bureau of the Census before August 28, 2016).

(2) MOVABLE PROPERTY.—No bonds shall be issued which are to be used for movable fixtures and equipment.

(d) QUALIFIED PROJECT COSTS.—For purposes of this subsection, the term “qualified project costs’’ means—

(1) the cost of any qualified residential rental project (as defined in section 142(d) of such Code) located in the qualified disaster area, and

(2) the cost of acquisition, construction, reconstruction, and renovation of—
(A) nonresidential real property (including fixed improvements associated with such property) located in the qualified disaster area, and

(B) public utility property (as defined in section 168(i)(10) of such Code) located in the qualified disaster area.

(e) SPECIAL RULES.—In applying this title to any qualified disaster area bond, the following modifications shall apply:

(1) Section 142(d)(1) of such Code (defining qualified residential rental project) shall be applied—

(A) by substituting “60 percent” for “50 percent” in subparagraph (A) thereof, and

(B) by substituting “70 percent” for “60 percent” in subparagraph (B) thereof.

(2) Section 143 of such Code (relating to mortgage revenue bonds: qualified mortgage bond and qualified veterans’ mortgage bond) shall be applied—

(A) only with respect to owner-occupied residences in the qualified disaster area,

(B) by treating any such residence in the qualified disaster area as a targeted area residence,
(C) by applying subsection (f)(3) thereof without regard to subparagraph (A) thereof, and

(D) by substituting "$150,000" for "$15,000" in subsection (k)(4) thereof.

(3) Except as provided in section 143 of such Code, repayments of principal on financing provided by the issue of which such bond is a part may not be used to provide financing.

(4) Section 146 of such Code (relating to volume cap) shall not apply.

(5) Section 147(d)(2) of such Code (relating to acquisition of existing property not permitted) shall be applied by substituting "50 percent" for "15 percent" each place it appears.

(6) Section 148(f)(4)(C) of such Code (relating to exception from rebate for certain proceeds to be used to finance construction expenditures) shall apply to the available construction proceeds of bonds which are part of an issue described in subsection (b)(1)(A).

(7) Section 57(a)(5) of such Code (relating to tax-exempt interest) shall not apply.

(f) SPECIAL RULE FOR REPAIRS AND RECONSTRUCTION.
(1) IN GENERAL.—For purposes of section 143 of the Internal Revenue Code of 1986 and this section, any qualified disaster area repair or reconstruction shall be treated as a qualified rehabilitation.

(2) QUALIFIED DISASTER AREA REPAIR OR RECONSTRUCTION.—For purposes of subparagraph (A), the term “qualified disaster area repair or reconstruction” means any repair of damage caused by the disaster giving rise to the Presidential declaration described in section 6000(1) (or reconstruction of such building in the case of damage constituting destruction) if the expenditures for such repair or reconstruction are 25 percent or more of the mortgagor’s adjusted basis in the residence. For purposes of the preceding sentence, the mortgagor’s adjusted basis shall be determined as of the completion of the repair or reconstruction or, if later, the date on which the mortgagor acquires the residence.

(3) TERMINATION.—This paragraph shall apply only to owner-financing provided after the date of the enactment of this subsection and before the close of the 5th calendar year beginning after the applicable disaster date.
SEC. 6311. EXPENSING FOR CERTAIN DEMOLITION AND CLEAN-UP COSTS.

(a) IN GENERAL.—A taxpayer may elect to treat 50 percent of any qualified disaster area clean-up cost as an expense which is not chargeable to capital account. Any cost so treated shall be allowed as a deduction for the taxable year in which such cost is paid or incurred.

(b) QUALIFIED DISASTER AREA CLEAN-UP COST.—For purposes of this subsection, the term “qualified disaster area clean-up cost” means any amount paid or incurred during the 1-year period beginning on the applicable disaster date, for the removal of debris from, or the demolition of structures on, real property which is located in the qualified disaster area and which is—

(1) held by the taxpayer for use in a trade or business or for the production of income, or

(2) property described in section 1221(a)(1) in the hands of the taxpayer.

For purposes of the preceding sentence, amounts paid or incurred shall be taken into account only to the extent that such amount would (but for subsection (a)) be chargeable to capital account.

SEC. 6312. EXTENSION OF EXPENSING FOR ENVIRONMENTAL REMEDIATION COSTS.

With respect to any qualified environmental remediation expenditure (as defined in section 198(b)) paid or
incurred on or after the applicable disaster date, in con-
nection with a qualified contaminated site located in the
qualified disaster area, section 198 (relating to expensing
of environmental remediation costs) shall be applied—

(1) in the case of expenditures paid or incurred
during the 1-year period beginning on the applicable
disaster date, by substituting the date on which such
period ends for the date contained in section 198(h),
and

(2) except as provided in section 198(d)(2), by
treating petroleum products (as defined in section
4612(a)(3)) as a hazardous substance.

SEC. 6313. TREATMENT OF NET OPERATING LOSSES AT-
TRIBUTABLE TO QUALIFIED DISASTER AREA
LOSSES.

(a) IN GENERAL.—If a portion of any net operating
loss of the taxpayer for any taxable year is a qualified
disaster area loss, the following rules shall apply:

(1) EXTENSION OF CARRYBACK PERIOD.—Sec-
section 172(b)(1) of the Internal Revenue Code of 1986
shall be applied with respect to such portion—

(A) by substituting “5 taxable years” for
“2 taxable years” in subparagraph (A)(i) there-
of, and
(B) by not taking such portion into account in determining any eligible loss of the taxpayer under subparagraph (F) thereof for the taxable year.

(2) Suspension of 90 percent AMT limitation.—Section 56(d)(1) of such Code shall be applied by increasing the amount determined under subparagraph (A)(ii)(I) thereof by the sum of the carrybacks and carryovers of any net operating loss attributable to such portion.

(b) Qualified Disaster Area Loss.—

(1) In general.—For purposes of subsection (a), the term “qualified disaster area loss” means the lesser of—

(A) the excess of—

(i) the net operating loss for such taxable year, over

(ii) the specified liability loss for such taxable year to which a 10-year carryback applies under section 172(b)(1)(C) of such Code, or

(B) the aggregate amount of the following deductions to the extent taken into account in computing the net operating loss for such taxable year:
(i) Any deduction for any qualified disaster area casualty loss.

(ii) Any deduction for moving expenses paid or incurred during the 1-year period beginning on the applicable disaster date, and allowable under this chapter to any taxpayer in connection with the employment of any individual—

(I) whose principal place of abode was located in the qualified disaster area before the applicable disaster date,

(II) who was unable to remain in such abode as the result of the disaster giving rise to the Presidential declaration described in section 6000(1), and

(III) whose principal place of employment with the taxpayer after such expense is located in the qualified disaster area.

For purposes of this subparagraph, the term “moving expenses” has the meaning given such term by section 217(b) of such Code, except that the taxpayer’s former
residence and new residence may be the
same residence if the initial vacating of the
residence was as the result of the disaster
giving rise to the Presidential declaration
described in section 6000(1).

(iii) Any deduction allowable under
this chapter for expenses paid or incurred
during the 1-year period beginning on the
applicable disaster date, to temporarily
house any employee of the taxpayer whose
principal place of employment is in the
qualified disaster area.

(iv) Any deduction for depreciation
(or amortization in lieu of depreciation) al-
lowable under this chapter with respect to
any qualified disaster area property for the
taxable year such property is placed in
service.

(v) Any deduction allowable under this
chapter for repair expenses (including ex-
penses for removal of debris) paid or in-
curred during the 1-year period beginning
on the applicable disaster date, with re-
spect to any damage attributable to the
disaster giving rise to the Presidential dec-
laration described in section 6001(1) and
in connection with property which is lo-
cated in the qualified disaster area.

(2) QUALIFIED DISASTER AREA PROPERTY.—

For purposes of this subsection—

(A) IN GENERAL.—The term “qualified
disaster area property” means property—

(i)(I) which is described in section
168(k)(2)(A)(i) of the Internal Revenue
Code of 1986, or

(ii) substantially all of the use of
which is in the qualified disaster area and
is in the active conduct of a trade or busi-
ness by the taxpayer in such area,

(iii) the original use of which in the
qualified disaster area commences with the
taxpayer on or after the applicable disaster
date,

(iv) which is acquired by the taxpayer
by purchase (as defined in section 179(d)
of such Code) on or after the applicable
disaster date, but only if no written bind-
ing contract for the acquisition was in ef-
feet before the applicable disaster date, and

(v) which is placed in service by the taxpayer before the close of the 1-year period beginning on the applicable disaster date.

(B) Exceptions.—

(i) Alternative Depreciation Property.—Such term shall not include any property described in section 168(k)(2)(D) of such Code.

(ii) Tax-Exempt Bond-Financed Property.—Such term shall not include any property any portion of which is financed with the proceeds of any obligation the interest on which is exempt from tax under section 103 of such Code.

(iii) Qualified Revitalization Buildings.—Such term shall not include any qualified revitalization building with respect to which the taxpayer has elected the application of paragraph (1) or (2) of section 1400I(a) of such Code.

(c) Qualified Disaster Area Casualty Loss.—
(1) IN GENERAL.—For purposes of paragraph

(1)(B)(i), the term “qualified disaster area casualty

loss” means any uncompensated section 1231 loss

(as defined in section 1231(a)(3)(B) of such Code)

of property located in the qualified disaster area,

if—

(A) such loss is allowed as a deduction

under section 165 of such Code for the taxable

year, and

(B) such loss is by reason of the storms

and flooding giving rise to the Presidential decla-

ration described in section 2(1).

(2) REDUCTION FOR GAINS FROM INVOLUN-

TARY CONVERSION.—The amount of qualified dis-

aster area casualty loss which would (but for this

paragraph) be taken into account under paragraph

(1) for any taxable year shall be reduced by the

amount of any gain recognized by the taxpayer for

such year from the involuntary conversion by reason

of the storms and flooding giving rise to the Presi-

dential declaration described in section 2(1) of prop-

erty located in the qualified disaster area.

(3) COORDINATION WITH GENERAL DISASTER

LOSS RULES.—Section 165(i) of such Code shall not

apply to any qualified disaster area casualty loss to
the extent such loss is taken into account under this subsection.

(4) SPECIAL RULES.—For purposes of paragraph (1), rules similar to the rules of paragraphs (2) and (3) of section 172(i) of such Code shall apply with respect to such portion.

SEC. 6314. INCREASED EXPENSING FOR QUALIFIED TIMBER PROPERTY.

(a) IN GENERAL.—In the case of qualified timber property any portion of which is located in the qualified disaster area, the limitation under subparagraph (B) of section 194(b)(1) of such Code shall be increased by the lesser of—

(1) the limitation which would (but for this section) apply under such subparagraph, or

(2) the amount of reforestation expenditures (as defined in section 194(c)(3) of such Code) paid or incurred by the taxpayer with respect to such qualified timber property during the specified portion of the taxable year.

(b) DEFINITIONS.—For purposes of this subsection—

(1) SPECIFIED PORTION.—The term “specified portion” means that portion of the taxable year which is on or after the applicable disaster date, and
before the date which is one year after such applica-
able disaster date.

(2) QUALIFIED TIMBER PROPERTY.—The term
“qualified timber property” has the meaning given
such term in section 194(c)(1) of such Code.

SEC. 6315. DISASTER LOSS CARRYBACK.

(a) IN GENERAL.—In the case of a loss occurring in
the qualified disaster area and attributable to the disaster
giving rise to the Presidential declaration described in sec-
tion 6000(1), at the election of the taxpayer, section
165(i)(1) of the Internal Revenue Code of 1986 shall be
applied by substituting “any of the 3 taxable years pre-
ceding” for “the taxable year immediately preceding”.

(b) SPECIAL RULES.—

(1) DETERMINED WITHOUT REGARD TO AD-
JUSTED GROSS INCOME.—Any loss described in sub-
section (a) shall be determined for the taxable year
without regard to section 165(h)(2)(A) of such Code.

(2) TREATED AS SALE OR EXCHANGE.—Not-
withstanding section 165(h)(2)(B) of such Code, any
loss described in subsection (a) shall be treated as
a loss from a sale or exchange of a capital asset.
SEC. 6316. HOUSING RELIEF FOR INDIVIDUALS AFFECTED BY QUALIFIED DISASTER.

(a) Exclusion of Employer-Provided Housing for Individual Affected by Qualified Disaster.—

(1) In general.—Gross income of a qualified employee shall not include the value of any lodging furnished in kind to such employee (and such employee’s spouse or any of such employee’s dependents) by or on behalf of a qualified employer for any month during the taxable year.

(2) Limitation.—The amount which may be excluded under paragraph (1) for any month for which lodging is furnished during the taxable year shall not exceed $600.

(3) Treatment of exclusion.—The exclusion under paragraph (1) shall be treated as an exclusion under section 119 of such Code (other than for purposes of sections 3121(a)(19) and 3306(b)(14) of such Code).

(b) Employer Credit for Housing Employees Affected by Qualified Disaster.—For purposes of section 38, in the case of a qualified employer, the qualified disaster housing credit for any month during the taxable year is an amount equal to 30 percent of any amount which is excludable from the gross income of a qualified
employee of such employer under subsection (a) and not otherwise excludable under section 119 of such Code.

(c) Qualified Employee.—For purposes of this section, the term “qualified employee” means, with respect to any month, an individual—

(1) who had a principal residence (as defined in section 121 of such Code) in the qualified disaster area on the applicable disaster date, and

(2) who performs substantially all employment services—

(A) in the qualified disaster area, and

(B) for the qualified employer which furnishes lodging to such individual.

(d) Qualified Employer.—For purposes of this section, the term “qualified employer” means any employer with a trade or business located in the qualified disaster area.

(e) Certain Rules To Apply.—For purposes of this subsection, rules similar to the rules of sections 51(i)(1) and 52 of such Code shall apply.

(f) Application of Section.—This section shall apply to lodging furnished during the period—

(1) beginning on the first day of the first month beginning after the date of the enactment of this section, and
(2) ending on the date which is 6 months after the first day described in paragraph (1).

(g) Treated as Part of General Business Credit.—The qualified disaster housing credit determined under subsection (b) shall be treated as listed in section 38(b) of the Internal Revenue Code of 1986.