

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

At the end, add the following:

1 **TITLE VI—DISASTER RELIEF**

2 **SEC. 6000. QUALIFIED DISASTER AREA.**

3 For purposes of this title—

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

12 (2) **CORE DISASTER AREA.**—The term “core
13 disaster area” means that portion of the qualified
14 disaster area determined by the President to war-
15 rant individual or individual and public assistance
16 from the Federal Government under such Act.

17 (3) **APPLICABLE DISASTER DATE.**—The term
18 “applicable disaster date” means, with respect to
19 any qualified disaster area, the first day of the dis-

1 aster which gives rise to the Presidential declaration
2 described in paragraph (1).

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5 which is repealed by this Act shall be treated as a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

8 **Subtitle A—Special Rules for Use**
9 **of Retirement Funds for Relief**
10 **Relating to Qualified Disaster**
11 **Areas**

12 **SEC. 6001. TAX-FAVORED WITHDRAWALS FROM RETIRE-**
13 **MENT PLANS FOR RELIEF RELATING TO**
14 **QUALIFIED DISASTER AREAS.**

15 (a) IN GENERAL.—Section 72(t) of the Internal Rev-
16 enue Code of 1986 shall not apply to any qualified disaster
17 distribution.

18 (b) AGGREGATE DOLLAR LIMITATION.—

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

24 (A) \$100,000, over

1 (B) the aggregate amounts treated as
2 qualified disaster distributions received by such
3 individual for all prior taxable years.

4 (2) TREATMENT OF PLAN DISTRIBUTIONS.—If
5 a distribution to an individual would (without regard
6 to paragraph (1)) be a qualified disaster distribu-
7 tion, a plan shall not be treated as violating any re-
8 quirement of the Internal Revenue Code of 1986
9 merely because the plan treats such distribution as
10 a qualified disaster distribution, unless the aggre-
11 gate amount of such distributions from all plans
12 maintained by the employer (and any member of any
13 controlled group which includes the employer) to
14 such individual exceeds \$100,000.

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

20 (c) AMOUNT DISTRIBUTED MAY BE REPAID.—

21 (1) IN GENERAL.—Any individual who receives
22 a qualified disaster distribution may, at any time
23 during the 3-year period beginning on the day after
24 the date on which such distribution was received,
25 make one or more contributions in an aggregate

1 amount not to exceed the amount of such distribu-
2 tion to an eligible retirement plan of which such in-
3 dividual is a beneficiary and to which a rollover con-
4 tribution of such distribution could be made under
5 section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or
6 457(e)(16) of such Code, as the case may be.

7 (2) TREATMENT OF REPAYMENTS OF DISTRIBUTIONS FROM ELIGIBLE RETIREMENT PLANS OTHER
8 THAN IRAS.—For purposes of such Code, if a con-
9 tribution is made pursuant to paragraph (1) with re-
10 spect to a qualified disaster distribution from an eli-
11 gible retirement plan other than an individual retire-
12 ment plan, then the taxpayer shall, to the extent of
13 the amount of the contribution, be treated as having
14 received the qualified disaster distribution in an eli-
15 gible rollover distribution (as defined in section
16 402(c)(4) of such Code) and as having transferred
17 the amount to the eligible retirement plan in a direct
18 trustee to trustee transfer within 60 days of the dis-
19 tribution.
20

21 (3) TREATMENT OF REPAYMENTS FOR DIS-
22 TRIBUTIONS FROM IRAS.—For purposes of such
23 Code, if a contribution is made pursuant to para-
24 graph (1) with respect to a qualified disaster dis-
25 tribution from an individual retirement plan (as de-

1 fined by section 7701(a)(37) of such Code), then, to
2 the extent of the amount of the contribution, the
3 qualified disaster distribution shall be treated as a
4 distribution described in section 408(d)(3) of such
5 Code and as having been transferred to the eligible
6 retirement plan in a direct trustee to trustee trans-
7 fer within 60 days of the distribution.

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

9 (1) QUALIFIED DISASTER DISTRIBUTION.—Ex-
10 cept as provided in subsection (b), the term “quali-
11 fied disaster distribution” means any distribution
12 from an eligible retirement plan made on or after
13 the applicable disaster date, to an individual whose
14 principal residence on or after such date, is located
15 in the qualified disaster area and who has sustained
16 an economic loss by reason of the disaster giving rise
17 to the Presidential declaration described in section
18 6000(1).

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

23 (e) INCOME INCLUSION SPREAD OVER 3-YEAR PE-
24 RIOD FOR QUALIFIED DISASTER DISTRIBUTIONS.—

1 (1) IN GENERAL.—In the case of any qualified
2 disaster distribution, unless the taxpayer elects not
3 to have this subsection apply for any taxable year,
4 any amount required to be included in gross income
5 for such taxable year shall be so included ratably
6 over the 3-taxable-year period beginning with such
7 taxable year.

8 (2) SPECIAL RULE.—For purposes of para-
9 graph (1), rules similar to the rules of subparagraph
10 (E) of section 408A(d)(3) of such Code shall apply.

11 (f) SPECIAL RULES.—

12 (1) EXEMPTION OF DISTRIBUTIONS FROM
13 TRUSTEE TO TRUSTEE TRANSFER AND WITH-
14 HOLDING RULES.—For purposes of sections
15 401(a)(31), 402(f), and 3405 of such Code, qualified
16 disaster distributions shall not be treated as eligible
17 rollover distributions.

18 (2) QUALIFIED DISASTER DISTRIBUTIONS
19 TREATED AS MEETING PLAN DISTRIBUTION RE-
20 QUIREMENTS.—For purposes of such Code, a quali-
21 fied disaster distribution shall be treated as meeting
22 the requirements of sections 401(k)(2)(B)(i),
23 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A) of
24 such Code.

1 **SEC. 6002. RECONTRIBUTIONS OF WITHDRAWALS FOR**
2 **HOME PURCHASES CANCELED DUE TO**
3 **QUALIFIED DISASTERS.**

4 (a) RECONTRIBUTIONS.—

5 (1) IN GENERAL.—Any individual who received
6 a qualified distribution may, during the 1-year pe-
7 riod beginning on the applicable disaster date, make
8 one or more contributions in an aggregate amount
9 not to exceed the amount of such qualified distribu-
10 tion to an eligible retirement plan (as defined in sec-
11 tion 402(c)(8)(B) of the Internal Revenue Code of
12 1986) of which such individual is a beneficiary and
13 to which a rollover contribution of such distribution
14 could be made under section 402(c), 403(a)(4),
15 403(b)(8), or 408(d)(3) of such Code, as the case
16 may be.

17 (2) TREATMENT OF REPAYMENTS.—Rules simi-
18 lar to the rules of paragraphs (2) and (3) of section
19 101(c) of this Act shall apply for purposes of this
20 section.

21 (b) QUALIFIED DISTRIBUTION DEFINED.—For pur-
22 poses of this section, the term “qualified distribution”
23 means any distribution—

24 (1) described in section 401(k)(2)(B)(i)(IV),
25 403(b)(7)(A)(ii) (but only to the extent such dis-

1 tribution relates to financial hardship),
2 403(b)(11)(B), or 72(t)(2)(F) of such Code,

3 (2)(A) received during the 1-year period ending
4 on the applicable disaster date,

5 (B) which was to be used to purchase or con-
6 struct a principal residence in the qualified disaster
7 area, but which was not so purchased or constructed
8 on account of the disaster giving rise to the Presi-
9 dential declaration described in section 6000(1).

10 **SEC. 6003. LOANS FROM QUALIFIED PLANS FOR RELIEF RE-**
11 **LATING TO QUALIFIED DISASTER.**

12 (a) INCREASE IN LIMIT ON LOANS NOT TREATED AS
13 DISTRIBUTIONS.—In the case of any loan from a qualified
14 employer plan (as defined under section 72(p)(4) of the
15 Internal Revenue Code of 1986) to a qualified individual
16 made during the 1-year period after the applicable disaster
17 date—

18 (1) clause (i) of section 72(p)(2)(A) of such
19 Code shall be applied by substituting “\$100,000”
20 for “\$50,000”, and

21 (2) clause (ii) of such section shall be applied
22 by substituting “the present value of the nonforfeit-
23 able accrued benefit of the employee under the plan”
24 for “one-half of the present value of the nonforfeit-

1 able accrued benefit of the employee under the
2 plan”.

3 (b) DELAY OF REPAYMENT.—In the case of a quali-
4 fied individual with an outstanding loan on or after the
5 date that is 5 days before the applicable disaster date,
6 from a qualified employer plan (as defined in section
7 72(p)(4) of such Code)—

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

14 (2) any subsequent repayments with respect to
15 any such loan shall be appropriately adjusted to re-
16 flect the delay in the due date under paragraph (1)
17 and any interest accruing during such delay, and

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

22 (c) QUALIFIED INDIVIDUAL.—For purposes of this
23 section, the term “qualified individual” means an indi-
24 vidual whose principal place of abode on the date that is
25 5 days before the applicable disaster date, is located in

1 the qualified disaster area and who has sustained an eco-
2 nomic loss by reason of the disaster giving rise to the Pres-
3 idential declaration described in section 6000(1).

4 **SEC. 6004. PROVISIONS RELATING TO PLAN AMENDMENTS.**

5 (a) IN GENERAL.—If this section applies to any
6 amendment to any plan or annuity contract, such plan or
7 contract shall be treated as being operated in accordance
8 with the terms of the plan during the period described in
9 subsection (b)(2)(A).

10 (b) AMENDMENTS TO WHICH SECTION APPLIES.—

11 (1) IN GENERAL.—This section shall apply to
12 any amendment to any plan or annuity contract
13 which is made—

14 (A) pursuant to any amendment made by
15 this title, or pursuant to any regulation issued
16 by the Secretary of the Treasury or the Sec-
17 retary of Labor under this title, and

18 (B) on or before the last day of the first
19 plan year beginning after the 1-year period be-
20 ginning on the applicable disaster date, or such
21 later date as the Secretary of the Treasury may
22 prescribe.

23 In the case of a governmental plan (as defined in
24 section 414(d) of the Internal Revenue Code of
25 1986), subparagraph (B) shall be applied by sub-

1 stituting the date which is 2 years after the date
2 otherwise applied under subparagraph (B).

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

5 (A) during the period—

6 (i) beginning on the date the legisla-
7 tive or regulatory amendment described in
8 paragraph (1)(A) takes effect (or in the
9 case of a plan or contract amendment not
10 required by such legislative or regulatory
11 amendment, the effective date specified by
12 the plan), and

13 (ii) ending on the date described in
14 paragraph (1)(B) (or, if earlier, the date
15 the plan or contract amendment is adopt-
16 ed),

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

19 (B) such plan or contract amendment ap-
20 plies retroactively for such period.

1 **Subtitle B—Employment Relief**

2 **SEC. 6101. WORK OPPORTUNITY TAX CREDIT FOR QUALI-** 3 **FIED DISASTER EMPLOYEES.**

4 (a) **IN GENERAL.**—For purposes of section 51 of the
5 Internal Revenue Code of 1986, a qualified disaster em-
6 ployee shall be treated as a member of a targeted group.

7 (b) **QUALIFIED DISASTER EMPLOYEE.**—For pur-
8 poses of this section, the term “qualified disaster em-
9 ployee” means—

10 (1) any individual who on the applicable dis-
11 aster date, had a principal place of abode in the core
12 disaster area and who is hired before the end of the
13 1-year period beginning on the applicable disaster
14 date, for a position the principal place of employ-
15 ment of which is located in the core disaster area,
16 and

17 (2) any individual who on such date had a prin-
18 cipal place of abode in the core disaster area, who
19 is displaced from such abode by reason of the dis-
20 aster giving rise to the Presidential declaration de-
21 scribed in section 6000(1), and who is hired during
22 the 1-year period beginning on such date.

23 (c) **REASONABLE IDENTIFICATION ACCEPTABLE.**—In
24 lieu of the certification requirement under section
25 51(d)(13)(A) of such Code, an individual may provide to

1 the employer reasonable evidence that the individual is a
2 qualified disaster employee, and subparagraph (B) of such
3 section shall be applied as if such evidence were a certifi-
4 cation described in such subparagraph.

5 (d) SPECIAL RULES FOR DETERMINING CREDIT.—
6 For purposes of applying subpart F of part IV of sub-
7 chapter A of chapter 1 of such Code to wages paid or in-
8 curred to any qualified disaster employee—

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

11 (2) section 51(i)(2) of such Code shall not
12 apply with respect to the first hire of such employee
13 as a qualified disaster employee, unless such em-
14 ployee was an employee of the employer on the ap-
15 plicable disaster date.

16 **SEC. 6102. EMPLOYEE RETENTION CREDIT FOR EMPLOY-**
17 **ERS AFFECTED BY QUALIFIED DISASTER.**

18 (a) IN GENERAL.—In the case of an eligible em-
19 ployer, there shall be allowed as a credit against the tax
20 imposed by chapter 1 of the Internal Revenue Code of
21 1986 for the taxable year an amount equal to 40 percent
22 of the qualified wages with respect to each eligible em-
23 ployee of such employer for such taxable year. For pur-
24 poses of the preceding sentence, the amount of qualified

1 wages which may be taken into account with respect to
2 any individual shall not exceed \$6,000.

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

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

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

9 (B) with respect to whom the trade or
10 business described in subparagraph (A) is inop-
11 erable on or after the applicable disaster date,
12 and before the end of the 1-year period begin-
13 ning on such date, as a result of damage sus-
14 tained by reason of the disaster giving rise to
15 the Presidential declaration described in section
16 6000(1).

17 (2) ELIGIBLE EMPLOYEE.—The term “eligible
18 employee” means with respect to an eligible em-
19 ployer an employee whose principal place of employ-
20 ment on the applicable disaster date, with such eligi-
21 ble employer was in a core disaster area.

22 (3) QUALIFIED WAGES.—The term “qualified
23 wages” means wages (as defined in section 51(c)(1)
24 of such Code, but without regard to section
25 3306(b)(2)(B) of such Code) paid or incurred by an

1 eligible employer with respect to an eligible employee
2 during the 1-year period beginning on the applicable
3 disaster date, which occurs during the period—

4 (A) beginning on the date on which the
5 trade or business described in paragraph (1)
6 first became inoperable at the principal place of
7 employment of the employee immediately before
8 the disaster giving rise to the Presidential dec-
9 laration described in section 6000(1), and

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

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

19 (c) CREDIT NOT ALLOWED FOR LARGE BUSI-
20 NESSES.—The term “eligible employer” shall not include
21 any trade or business for any taxable year if such trade
22 or business employed an average of more than 200 em-
23 ployees on business days during the taxable year.

1 (d) CERTAIN RULES TO APPLY.—For purposes of
2 this section, rules similar to the rules of sections 51(i)(1),
3 52, and 280C(a) of such Code shall apply.

4 (e) EMPLOYEE NOT TAKEN INTO ACCOUNT MORE
5 THAN ONCE.—An employee shall not be treated as an eli-
6 gible employee for purposes of this section for any period
7 with respect to any employer if such employer is allowed
8 a credit under section 51 of such Code with respect to
9 such employee for such period.

10 (f) CREDIT TO BE PART OF GENERAL BUSINESS
11 CREDIT.—The credit allowed under this section shall be
12 added to the current year business credit under section
13 38(b) of such Code and shall be treated as a credit allowed
14 under subpart D of part IV of subchapter A of chapter
15 1 of such Code.

16 **Subtitle C—Charitable Giving** 17 **Incentives**

18 **SEC. 6201. TEMPORARY SUSPENSION OF LIMITATIONS ON** 19 **CHARITABLE CONTRIBUTIONS.**

20 (a) IN GENERAL.—Except as otherwise provided in
21 subsection (b), section 170(b) of the Internal Revenue
22 Code of 1986 shall not apply to qualified contributions and
23 such contributions shall not be taken into account for pur-
24 poses of applying subsections (b) and (d) of section 170
25 of such Code to other contributions.

1 (b) TREATMENT OF EXCESS CONTRIBUTIONS.—For
2 purposes of section 170 of such Code—

3 (1) INDIVIDUALS.—In the case of an indi-
4 vidual—

5 (A) LIMITATION.—Any qualified contribu-
6 tion shall be allowed only to the extent that the
7 aggregate of such contributions does not exceed
8 the excess of the taxpayer's contribution base
9 (as defined in subparagraph (G) of section
10 170(b)(1) of such Code) over the amount of all
11 other charitable contributions allowed under
12 such section 170(b)(1).

13 (B) CARRYOVER.—If the aggregate
14 amount of qualified contributions made in the
15 contribution year (within the meaning of section
16 170(d)(1) of such Code) exceeds the limitation
17 of subparagraph (A), such excess shall be added
18 to the excess described in the portion of sub-
19 paragraph (A) of such section which precedes
20 clause (i) thereof for purposes of applying such
21 section.

22 (2) CORPORATIONS.—In the case of a corpora-
23 tion—

24 (A) LIMITATION.—Any qualified contribu-
25 tion shall be allowed only to the extent that the

1 aggregate of such contributions does not exceed
2 the excess of the taxpayer's taxable income (as
3 determined under paragraph (2) of section
4 170(b) of such Code) over the amount of all
5 other charitable contributions allowed under
6 such paragraph.

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

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

16 (d) QUALIFIED CONTRIBUTIONS.—

17 (1) IN GENERAL.—For purposes of this section,
18 the term “qualified contribution” means any chari-
19 table contribution (as defined in section 170(c) of
20 such Code)—

21 (A) paid during the 1-year period begin-
22 ning on the applicable disaster date, in cash to
23 an organization described in section
24 170(b)(1)(A) of such Code (other than an orga-

1 nization described in section 509(a)(3) of such
2 Code),

3 (B) in the case of a contribution paid by
4 a corporation, such contribution is for relief ef-
5 forts related to the disaster giving rise to the
6 Presidential declaration described in section
7 6000(1), and

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

10 (2) EXCEPTION.—Such term shall not include a
11 contribution if the contribution is for establishment
12 of a new, or maintenance in an existing, segregated
13 fund or account with respect to which the donor (or
14 any person appointed or designated by such donor)
15 has, or reasonably expects to have, advisory privi-
16 leges with respect to distributions or investments by
17 reason of the donor's status as a donor.

18 (3) APPLICATION OF ELECTION TO PARTNER-
19 SHIPS AND S CORPORATIONS.—In the case of a part-
20 nership or S corporation, the election under para-
21 graph (1)(C) shall be made separately by each part-
22 ner or shareholder.

1 **SEC. 6202. ADDITIONAL EXEMPTION FOR HOUSING QUALI-**
2 **FIED DISASTER INDIVIDUALS.**

3 (a) IN GENERAL.—In the case of taxable years of a
4 natural person beginning in the calendar year which in-
5 cludes the applicable disaster date or the following cal-
6 endar year, for purposes of the Internal Revenue Code of
7 1986, taxable income shall be reduced by \$600 for each
8 qualified disaster individual of the taxpayer for the taxable
9 year.

10 (b) LIMITATIONS.—

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

15 (2) INDIVIDUALS TAKEN INTO ACCOUNT ONLY
16 ONCE.—An individual shall not be taken into ac-
17 count under subsection (a) if such individual was
18 taken into account under such subsection by the tax-
19 payer for any prior taxable year.

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

25 (c) QUALIFIED DISASTER INDIVIDUAL.—For purposes
26 of this section, the term “qualified disaster individual”

1 means, with respect to any taxpayer for any taxable year,
2 any natural person if—

3 (1) such person's principal place of abode on
4 the applicable disaster date, was in the qualified dis-
5 aster area,

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

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

12 (i) such abode was damaged by the dis-
13 aster giving rise to the Presidential declaration
14 described in section 6000(1), or

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

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

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

24 (d) COMPENSATION FOR HOUSING.—No deduction
25 shall be allowed under this section if the taxpayer receives

1 any rent or other amount (from any source) in connection
2 with the providing of such housing.

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

5 Notwithstanding section 170(i) of the Internal Rev-
6 enue Code of 1986, for purposes of computing the deduc-
7 tion under section 170 of such Code for use of a vehicle
8 described in subsection (f)(12)(E)(i) of such section for
9 provision of relief during the 1-year period beginning on
10 the applicable disaster date, and related to the disaster
11 giving rise to the Presidential declaration described in sec-
12 tion 6000(1), the standard mileage rate shall be 70 per-
13 cent of the standard mileage rate in effect under section
14 162(a) of such Code at the time of such use. Any increase
15 under this section shall be rounded to the next highest
16 cent.

17 **SEC. 6204. MILEAGE REIMBURSEMENTS TO CHARITABLE**
18 **VOLUNTEERS EXCLUDED FROM GROSS IN-**
19 **COME.**

20 (a) IN GENERAL.—For purposes of the Internal Rev-
21 enue Code of 1986, gross income of an individual for tax-
22 able years ending on or after the applicable disaster date,
23 does not include amounts received, from an organization
24 described in section 170(c) of such Code, as reimburse-
25 ment of operating expenses with respect to use of a pas-

1 senger automobile for the benefit of such organization in
2 connection with providing relief during the 1-year period
3 beginning on the applicable disaster date, and relating to
4 the disaster giving rise to the Presidential declaration de-
5 scribed in section 6000(1). The preceding sentence shall
6 apply only to the extent that the expenses which are reim-
7 bursed would be deductible under chapter 1 of such Code
8 if section 274(d) of such Code were applied—

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

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

15 (b) APPLICATION TO VOLUNTEER SERVICES
16 ONLY.—Subsection (a) shall not apply with respect to any
17 expenses relating to the performance of services for com-
18 pensation.

19 (c) NO DOUBLE BENEFIT.—No deduction or credit
20 shall be allowed under any other provision of such Code
21 with respect to the expenses excludable from gross income
22 under subsection (a).

1 **SEC. 6205. CHARITABLE DEDUCTION FOR CONTRIBUTIONS**
2 **OF BOOK INVENTORIES TO PUBLIC SCHOOLS.**

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

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

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

11 (b) QUALIFIED BOOK CONTRIBUTION.—For pur-
12 poses of subsection (a), the term “qualified book contribu-
13 tion” has the meaning given such term by section
14 170(e)(3)(D)(ii) of the Internal Revenue Code of 1986.

15 **Subtitle D—Additional Tax Relief**
16 **Provisions**

17 **SEC. 6301. EXCLUSIONS OF CERTAIN CANCELLATIONS OF**
18 **INDEBTEDNESS BY REASON OF QUALIFIED**
19 **DISASTER.**

20 (a) IN GENERAL.—For purposes of the Internal Rev-
21 enue Code of 1986, gross income shall not include any
22 amount which (but for this section) would be includible
23 in gross income by reason of the discharge (in whole or
24 in part) of indebtedness of a natural person described in
25 subsection (b) by an applicable entity (as defined in sec-
26 tion 6050P(c)(1) of such Code).

1 (b) PERSONS DESCRIBED.—A natural person is de-
2 scribed in this subsection if the principal place of abode
3 of such person on the applicable disaster date, was lo-
4 cated—

5 (1) in the core disaster area, or

6 (2) in the qualified disaster area (but outside
7 the core disaster area) and such person suffered eco-
8 nomic loss by reason of the disaster giving rise to
9 the Presidential declaration described in section
10 6000(1).

11 (c) EXCEPTIONS.—

12 (1) BUSINESS INDEBTEDNESS.—Subsection (a)
13 shall not apply to any indebtedness incurred in con-
14 nection with a trade or business.

15 (2) REAL PROPERTY OUTSIDE CORE DISASTER
16 AREA.—Subsection (a) shall not apply to any dis-
17 charge of indebtedness to the extent that real prop-
18 erty constituting security for such indebtedness is lo-
19 cated outside of the qualified disaster area.

20 (d) DENIAL OF DOUBLE BENEFIT.—For purposes of
21 the Internal Revenue Code of 1986, the amount excluded
22 from gross income under subsection (a) shall be treated
23 in the same manner as an amount excluded under section
24 108(a) of such Code.

1 (e) EFFECTIVE DATE.—This section shall apply to
2 discharges made during the 1-year period beginning on the
3 applicable disaster date.

4 **SEC. 6302. SUSPENSION OF CERTAIN LIMITATIONS ON PER-**
5 **SONAL CASUALTY LOSSES.**

6 Paragraphs (1) and (2)(A) of section 165(h) of the
7 Internal Revenue Code of 1986 shall not apply to losses
8 described in section 165(c)(3) of such Code which arise
9 in the qualified disaster area on or after the applicable
10 disaster date, and which are attributable to the disaster
11 giving rise to the Presidential declaration described in sec-
12 tion 6000(1). In the case of any other losses, section
13 165(h)(2)(A) of such Code shall be applied without regard
14 to the losses referred to in the preceding sentence.

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

18 (a) IN GENERAL.—In the case of any taxpayer deter-
19 mined by the Secretary of the Treasury to be affected by
20 the Presidentially declared disaster relating to the disaster
21 giving rise to the Presidential declaration described in sec-
22 tion 6000(1)—

23 (1) any relief provided by the Secretary of the
24 Treasury under section 7508A of the Internal Rev-
25 enue Code of 1986 shall be for a period ending not

1 earlier than the end of the 1-year period beginning
2 on the applicable disaster date, and shall be treated
3 as applying to the filing of returns relating to, and
4 the payment of, employment and excise taxes; and

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

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

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

14 (a) IN GENERAL.—In the case of financing provided
15 with respect to a qualified disaster recovery residence, sec-
16 tion 143(d) of the Internal Revenue Code of 1986 shall
17 be applied as if such residence were a targeted area resi-
18 dence.

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

- 22 (1) any residence in the core disaster area, and
23 (2) any other residence if—

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

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

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

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

13 (c) SPECIAL RULE FOR HOME IMPROVEMENT
14 LOANS.—In the case of any loan with respect to a resi-
15 dence in the qualified disaster area, section 143(k)(4) of
16 such Code shall be applied by substituting \$150,000 for
17 the dollar amount contained therein to the extent such
18 loan is for the repair of damage by reason of the disaster
19 giving rise to the Presidential declaration described in sec-
20 tion 6000(1).

21 (d) APPLICATION.—Subsection (a) shall not apply to
22 financing provided after the end of the 1-year period be-
23 ginning on the applicable disaster date.

1 **SEC. 6305. EXTENSION OF REPLACEMENT PERIOD FOR**
2 **NONRECOGNITION OF GAIN FOR PROPERTY**
3 **LOCATED IN QUALIFIED DISASTER AREA.**

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

12 **SEC. 6306. SPECIAL RULE FOR DETERMINING EARNED IN-**
13 **COME.**

14 (a) IN GENERAL.—In the case of a qualified indi-
15 vidual, if the earned income of the taxpayer for the taxable
16 year which includes the applicable disaster date, is less
17 than the earned income of the taxpayer for the preceding
18 taxable year, the credits allowed under sections 24(d) and
19 32 of the Internal Revenue Code of 1986 may, at the elec-
20 tion of the taxpayer, be determined by substituting—

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

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

25 (b) QUALIFIED INDIVIDUAL.—For purposes of this
26 section, the term “qualified individual” means any indi-

1 individual whose principal place of abode on the applicable dis-
2 aster date, was located—

3 (1) in the core disaster area, or

4 (2) in the qualified disaster area (but outside
5 the core disaster area) and such individual was dis-
6 placed from such principal place of abode by reason
7 of the disaster giving rise to the Presidential dec-
8 laration described in section 6000(1).

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

12 (d) SPECIAL RULES.—

13 (1) APPLICATION TO JOINT RETURNS.—For
14 purposes of subsection (a), in the case of a joint re-
15 turn for a taxable year which includes the applicable
16 disaster date—

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

19 (B) the earned income of the taxpayer for
20 the preceding taxable year shall be the sum of
21 the earned income of each spouse for such pre-
22 ceding taxable year.

23 (2) UNIFORM APPLICATION OF ELECTION.—

24 Any election made under subsection (a) shall apply

1 with respect to both section 24(d) and section 32 of
2 such Code.

3 (3) ERRORS TREATED AS MATHEMATICAL
4 ERROR.—For purposes of section 6213 of such
5 Code, an incorrect use on a return of earned income
6 pursuant to subsection (a) shall be treated as a
7 mathematical or clerical error.

8 (4) NO EFFECT ON DETERMINATION OF GROSS
9 INCOME, ETC.—Except as otherwise provided in this
10 section, the Internal Revenue Code of 1986 shall be
11 applied without regard to any substitution under
12 subsection (a).

13 **SEC. 6307. SECRETARIAL AUTHORITY TO MAKE ADJUST-**
14 **MENTS REGARDING TAXPAYER AND DEPEND-**
15 **ENCY STATUS.**

16 With respect to taxable years beginning in the cal-
17 endar year which includes the applicable disaster date or
18 the following calendar year, the Secretary of the Treasury
19 or the Secretary's delegate may make such adjustments
20 in the application of the internal revenue laws as may be
21 necessary to ensure that taxpayers do not lose any deduc-
22 tion or credit or experience a change of filing status by
23 reason of temporary relocations by reason of the disaster
24 giving rise to the Presidential declaration described in sec-
25 tion 6000(1). Any adjustments made under the preceding

1 sentence shall ensure that an individual is not taken into
2 account by more than one taxpayer with respect to the
3 same tax benefit.

4 **SEC. 6308. LOW-INCOME HOUSING CREDIT.**

5 (a) ADDITIONAL HOUSING CREDIT DOLLAR
6 AMOUNT.—

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

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

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

21 (2) QUALIFIED DISASTER HOUSING AMOUNT.—

22 For purposes of paragraph (1), the term “qualified
23 disaster housing amount” means, for any calendar
24 year, the amount equal to the product of \$18.00
25 multiplied by the portion of the State’s population

1 which is in the qualified disaster area (as deter-
2 mined on the basis of the most recent census esti-
3 mate of resident population released by the Bureau
4 of the Census before August 28, 2016).

5 (3) ALLOCATIONS TREATED AS MADE FIRST
6 FROM ADDITIONAL ALLOCATION AMOUNT FOR PUR-
7 POSES OF DETERMINING CARRYOVER.—For pur-
8 poses of determining the unused State housing cred-
9 it ceiling under section 42(h)(3)(C) of such Code for
10 any calendar year, any increase in the State housing
11 credit ceiling under paragraph (1) shall be treated
12 as an amount described in clause (ii) of such section.

13 (b) ADDITIONAL HOUSING CREDIT DOLLAR AMOUNT
14 FOR STATES.—For purposes of section 42 of such Code,
15 in the case of any calendar year which includes the appli-
16 cable disaster date and the following calendar year, the
17 State housing credit ceiling of each State any portion of
18 which is a qualified disaster area shall each be increased
19 by \$3,500,000.

20 (c) DIFFICULT DEVELOPMENT AREA.—

21 (1) IN GENERAL.—For purposes of section 42
22 of such Code, in the case of property placed in serv-
23 ice during the 3-year period beginning on the appli-
24 cable disaster date, the qualified disaster area—

1 (A) shall be treated as difficult develop-
2 ment areas designated under subclause (I) of
3 section 42(d)(5)(B)(iii) of such Code, and

4 (B) shall not be taken into account for
5 purposes of applying the limitation under sub-
6 clause (II) of such section.

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

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

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

20 (d) SPECIAL RULE FOR APPLYING INCOME TESTS.—
21 In the case of property placed in service—

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

25 (2) in the qualified disaster area, and

1 (3) in a nonmetropolitan area (as defined in
2 section 42(d)(5)(B)(iv)(IV)),
3 section 42 of such Code shall be applied by substituting
4 “national nonmetropolitan median gross income (deter-
5 mined under rules similar to the rules of section
6 142(d)(2)(B))” for “area median gross income” in sub-
7 paragraphs (A) and (B) of section 42(g)(1) of such Code.

8 (e) DEFINITIONS.—Any term used in this section
9 which is also used in section 42 shall have the same mean-
10 ing as when used in such section.

11 **SEC. 6309. APPLICATION OF NEW MARKETS TAX CREDIT TO**
12 **INVESTMENTS IN COMMUNITY DEVELOP-**
13 **MENT ENTITIES SERVING QUALIFIED DIS-**
14 **ASTER AREA.**

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

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

23 (2) the new markets tax credit limitation other-
24 wise determined under subsection (f)(1) thereof shall
25 be increased by an amount equal to—

1 (A) \$300,000,000 for the calendar year
2 that includes the applicable disaster date and
3 the following calendar year, to be allocated
4 among qualified community development enti-
5 ties to make qualified low-income community
6 investments within the qualified disaster area,
7 and

8 (B) \$400,000,000 for the calendar year
9 after the calendar years referred to in subpara-
10 graph (A), to be so allocated, and

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

14 **SEC. 6310. TAX-EXEMPT BOND FINANCING.**

15 (a) IN GENERAL.—For purposes of the Internal Rev-
16 enue Code of 1986—

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

20 (2) any qualified disaster area bond described
21 in paragraph (2)(A)(ii) shall be treated as a quali-
22 fied mortgage bond.

23 (b) QUALIFIED DISASTER AREA BOND.—For pur-
24 poses of this subsection, the term “qualified disaster area
25 bond” means any bond issued as part of an issue if—

1 (1)(A) 95 percent or more of the net proceeds
2 (as defined in section 150(a)(3) of such Code) of
3 such issue are to be used for qualified project costs,
4 or

5 (B) such issue meets the requirements of a
6 qualified mortgage issue, except as otherwise pro-
7 vided in this subsection,

8 (2) such bond is issued by any State any por-
9 tion of which is a qualified disaster area, or any po-
10 litical subdivision thereof,

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

13 (A) in the case of a bond which is required
14 under State law to be approved by the bond
15 commission of any State any portion of which
16 is a qualified disaster area, such bond commis-
17 sion, and

18 (B) in the case of any other bond, the Gov-
19 ernor of any State any portion of which is a
20 qualified disaster area,

21 (4) such bond is issued after the date of the en-
22 actment of this section and before the end of the 5th
23 calendar year beginning after the applicable disaster
24 date, and

1 (5) no portion of the proceeds of such issue is
2 to be used to provide any property described in sec-
3 tion 144(c)(6)(B) of such Code.

4 (c) LIMITATION ON BONDS.—

5 (1) AGGREGATE AMOUNT DESIGNATED.—The
6 maximum aggregate face amount of bonds which
7 may be designated under this subsection with re-
8 spect to any State shall not exceed the product of
9 \$2,500 multiplied by the portion of the State popu-
10 lation which is in the qualified disaster area (as de-
11 termined on the basis of the most recent census esti-
12 mate of resident population released by the Bureau
13 of the Census before August 28, 2016).

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

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

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

23 (2) the cost of acquisition, construction, recon-
24 struction, and renovation of—

1 (A) nonresidential real property (including
2 fixed improvements associated with such prop-
3 erty) located in the qualified disaster area, and

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

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

10 (1) Section 142(d)(1) of such Code (defining
11 qualified residential rental project) shall be ap-
12 plied—

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

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

17 (2) Section 143 of such Code (relating to mort-
18 gage revenue bonds: qualified mortgage bond and
19 qualified veterans’ mortgage bond) shall be ap-
20 plied—

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

23 (B) by treating any such residence in the
24 qualified disaster area as a targeted area resi-
25 dence,

1 (C) by applying subsection (f)(3) thereof
2 without regard to subparagraph (A) thereof,
3 and

4 (D) by substituting “\$150,000” for
5 “\$15,000” in subsection (k)(4) thereof.

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

10 (4) Section 146 of such Code (relating to vol-
11 ume cap) shall not apply.

12 (5) Section 147(d)(2) of such Code (relating to
13 acquisition of existing property not permitted) shall
14 be applied by substituting “50 percent” for “15 per-
15 cent” each place it appears.

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

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

24 (f) SPECIAL RULE FOR REPAIRS AND RECONSTRUC-
25 TIONS.—

1 (1) IN GENERAL.—For purposes of section 143
2 of the Internal Revenue Code of 1986 and this sec-
3 tion, any qualified disaster area repair or reconstruc-
4 tion shall be treated as a qualified rehabilitation.

5 (2) QUALIFIED DISASTER AREA REPAIR OR RE-
6 CONSTRUCTION.—For purposes of subparagraph
7 (A), the term “qualified disaster area repair or re-
8 construction” means any repair of damage caused by
9 the disaster giving rise to the Presidential declara-
10 tion described in section 6000(1) (or reconstruction
11 of such building in the case of damage constituting
12 destruction) if the expenditures for such repair or
13 reconstruction are 25 percent or more of the mort-
14 gator’s adjusted basis in the residence. For purposes
15 of the preceding sentence, the mortgagor’s adjusted
16 basis shall be determined as of the completion of the
17 repair or reconstruction or, if later, the date on
18 which the mortgagor acquires the residence.

19 (3) TERMINATION.—This paragraph shall apply
20 only to owner-financing provided after the date of
21 the enactment of this subsection and before the close
22 of the 5th calendar year beginning after the applica-
23 ble disaster date.

1 **SEC. 6311. EXPENSING FOR CERTAIN DEMOLITION AND**
2 **CLEAN-UP COSTS.**

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

8 (b) QUALIFIED DISASTER AREA CLEAN-UP COST.—
9 For purposes of this subsection, the term “qualified dis-
10 aster area clean-up cost” means any amount paid or in-
11 curred during the 1-year period beginning on the applica-
12 ble disaster date, for the removal of debris from, or the
13 demolition of structures on, real property which is located
14 in the qualified disaster area and which is—

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

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

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

23 **SEC. 6312. EXTENSION OF EXPENSING FOR ENVIRON-**
24 **MENTAL REMEDIATION COSTS.**

25 With respect to any qualified environmental remedi-
26 ation expenditure (as defined in section 198(b)) paid or

1 incurred on or after the applicable disaster date, in con-
2 nection with a qualified contaminated site located in the
3 qualified disaster area, section 198 (relating to expensing
4 of environmental remediation costs) shall be applied—

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

10 (2) except as provided in section 198(d)(2), by
11 treating petroleum products (as defined in section
12 4612(a)(3)) as a hazardous substance.

13 **SEC. 6313. TREATMENT OF NET OPERATING LOSSES AT-**
14 **TRIBUTABLE TO QUALIFIED DISASTER AREA**
15 **LOSSES.**

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

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

22 (A) by substituting “5 taxable years” for
23 “2 taxable years” in subparagraph (A)(i) there-
24 of, and

1 (B) by not taking such portion into ac-
2 count in determining any eligible loss of the
3 taxpayer under subparagraph (F) thereof for
4 the taxable year.

5 (2) SUSPENSION OF 90 PERCENT AMT LIMITA-
6 TION.—Section 56(d)(1) of such Code shall be ap-
7 plied by increasing the amount determined under
8 subparagraph (A)(ii)(I) thereof by the sum of the
9 carrybacks and carryovers of any net operating loss
10 attributable to such portion.

11 (b) QUALIFIED DISASTER AREA LOSS.—

12 (1) IN GENERAL.—For purposes of subsection
13 (a), the term “qualified disaster area loss” means
14 the lesser of—

15 (A) the excess of—

16 (i) the net operating loss for such tax-
17 able year, over

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

22 (B) the aggregate amount of the following
23 deductions to the extent taken into account in
24 computing the net operating loss for such tax-
25 able year:

1 (i) Any deduction for any qualified
2 disaster area casualty loss.

3 (ii) Any deduction for moving ex-
4 penses paid or incurred during the 1-year
5 period beginning on the applicable disaster
6 date, and allowable under this chapter to
7 any taxpayer in connection with the em-
8 ployment of any individual—

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

13 (II) who was unable to remain in
14 such abode as the result of the dis-
15 aster giving rise to the Presidential
16 declaration described in section
17 6000(1), and

18 (III) whose principal place of em-
19 ployment with the taxpayer after such
20 expense is located in the qualified dis-
21 aster area.

22 For purposes of this subparagraph, the
23 term “moving expenses” has the meaning
24 given such term by section 217(b) of such
25 Code, except that the taxpayer’s former

1 residence and new residence may be the
2 same residence if the initial vacating of the
3 residence was as the result of the disaster
4 giving rise to the Presidential declaration
5 described in section 6000(1).

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

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

19 (v) Any deduction allowable under this
20 chapter for repair expenses (including ex-
21 penses for removal of debris) paid or in-
22 curred during the 1-year period beginning
23 on the applicable disaster date, with re-
24 spect to any damage attributable to the
25 disaster giving rise to the Presidential dec-

1 laration described in section 6001(1) and
2 in connection with property which is lo-
3 cated in the qualified disaster area.

4 (2) QUALIFIED DISASTER AREA PROPERTY.—
5 For purposes of this subsection—

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

8 (i)(I) which is described in section
9 168(k)(2)(A)(i) of the Internal Revenue
10 Code of 1986, or

11 (II) which is nonresidential real prop-
12 erty or residential rental property,

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

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

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

1 fect before the applicable disaster date,
2 and

3 (v) which is placed in service by the
4 taxpayer before the close of the 1-year pe-
5 riod beginning on the applicable disaster
6 date.

7 (B) EXCEPTIONS.—

8 (i) ALTERNATIVE DEPRECIATION
9 PROPERTY.—Such term shall not include
10 any property described in section
11 168(k)(2)(D) of such Code.

12 (ii) TAX-EXEMPT BOND-FINANCED
13 PROPERTY.—Such term shall not include
14 any property any portion of which is fi-
15 nanced with the proceeds of any obligation
16 the interest on which is exempt from tax
17 under section 103 of such Code.

18 (iii) QUALIFIED REVITALIZATION
19 BUILDINGS.—Such term shall not include
20 any qualified revitalization building with
21 respect to which the taxpayer has elected
22 the application of paragraph (1) or (2) of
23 section 1400I(a) of such Code.

24 (c) QUALIFIED DISASTER AREA CASUALTY LOSS.—

1 (1) IN GENERAL.—For purposes of paragraph
2 (1)(B)(i), the term “qualified disaster area casualty
3 loss” means any uncompensated section 1231 loss
4 (as defined in section 1231(a)(3)(B) of such Code)
5 of property located in the qualified disaster area,
6 if—

7 (A) such loss is allowed as a deduction
8 under section 165 of such Code for the taxable
9 year, and

10 (B) such loss is by reason of the storms
11 and flooding giving rise to the Presidential dec-
12 laration described in section 2(1).

13 (2) REDUCTION FOR GAINS FROM INVOLUN-
14 TARY CONVERSION.—The amount of qualified dis-
15 aster area casualty loss which would (but for this
16 paragraph) be taken into account under paragraph
17 (1) for any taxable year shall be reduced by the
18 amount of any gain recognized by the taxpayer for
19 such year from the involuntary conversion by reason
20 of the storms and flooding giving rise to the Presi-
21 dential declaration described in section 2(1) of prop-
22 erty located in the qualified disaster area.

23 (3) COORDINATION WITH GENERAL DISASTER
24 LOSS RULES.—Section 165(i) of such Code shall not
25 apply to any qualified disaster area casualty loss to

1 the extent such loss is taken into account under this
2 subsection.

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

7 **SEC. 6314. INCREASED EXPENSING FOR QUALIFIED TIMBER**
8 **PROPERTY.**

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

14 (1) the limitation which would (but for this sec-
15 tion) apply under such subparagraph, or

16 (2) the amount of reforestation expenditures
17 (as defined in section 194(c)(3) of such Code) paid
18 or incurred by the taxpayer with respect to such
19 qualified timber property during the specified por-
20 tion of the taxable year.

21 (b) DEFINITIONS.—For purposes of this sub-
22 section—

23 (1) SPECIFIED PORTION.—The term “specified
24 portion” means that portion of the taxable year
25 which is on or after the applicable disaster date, and

1 before the date which is one year after such applica-
2 ble disaster date.

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

6 **SEC. 6315. DISASTER LOSS CARRYBACK.**

7 (a) IN GENERAL.—In the case of a loss occurring in
8 the qualified disaster area and attributable to the disaster
9 giving rise to the Presidential declaration described in sec-
10 tion 6000(1), at the election of the taxpayer, section
11 165(i)(1) of the Internal Revenue Code of 1986 shall be
12 applied by substituting “any of the 3 taxable years pre-
13 ceding” for “the taxable year immediately preceding”.

14 (b) SPECIAL RULES.—

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

19 (2) TREATED AS SALE OR EXCHANGE.—Not-
20 withstanding section 165(h)(2)(B) of such Code, any
21 loss described in subsection (a) shall be treated as
22 a loss from a sale or exchange of a capital asset.

1 **SEC. 6316. HOUSING RELIEF FOR INDIVIDUALS AFFECTED**
2 **BY QUALIFIED DISASTER.**

3 (a) EXCLUSION OF EMPLOYER-PROVIDED HOUSING
4 FOR INDIVIDUAL AFFECTED BY QUALIFIED DISASTER.—

5 (1) IN GENERAL.—Gross income of a qualified
6 employee shall not include the value of any lodging
7 furnished in kind to such employee (and such em-
8 ployee's spouse or any of such employee's depend-
9 ents) by or on behalf of a qualified employer for any
10 month during the taxable year.

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

15 (3) TREATMENT OF EXCLUSION.—The exclu-
16 sion under paragraph (1) shall be treated as an ex-
17 clusion under section 119 of such Code (other than
18 for purposes of sections 3121(a)(19) and
19 3306(b)(14) of such Code).

20 (b) EMPLOYER CREDIT FOR HOUSING EMPLOYEES
21 AFFECTED BY QUALIFIED DISASTER.—For purposes of
22 section 38, in the case of a qualified employer, the quali-
23 fied disaster housing credit for any month during the tax-
24 able year is an amount equal to 30 percent of any amount
25 which is excludable from the gross income of a qualified

1 employee of such employer under subsection (a) and not
2 otherwise excludable under section 119 of such Code.

3 (c) QUALIFIED EMPLOYEE.—For purposes of this
4 section, the term “qualified employee” means, with respect
5 to any month, an individual—

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

9 (2) who performs substantially all employment
10 services—

11 (A) in the qualified disaster area, and

12 (B) for the qualified employer which fur-
13 nishes lodging to such individual.

14 (d) QUALIFIED EMPLOYER.—For purposes of this
15 section, the term “qualified employer” means any em-
16 ployer with a trade or business located in the qualified
17 disaster area.

18 (e) CERTAIN RULES TO APPLY.—For purposes of
19 this subsection, rules similar to the rules of sections
20 51(i)(1) and 52 of such Code shall apply.

21 (f) APPLICATION OF SECTION.—This section shall
22 apply to lodging furnished during the period—

23 (1) beginning on the first day of the first
24 month beginning after the date of the enactment of
25 this section, and

1 (2) ending on the date which is 6 months after
2 the first day described in paragraph (1).

3 (g) TREATED AS PART OF GENERAL BUSINESS
4 CREDIT.—The qualified disaster housing credit deter-
5 mined under subsection (b) shall be treated as listed in
6 section 38(b) of the Internal Revenue Code of 1986.

