

AMENDMENT

OFFERED BY MR. THOMPSON OF CALIFORNIA

At the end, add the following:

1 **TITLE VI—DISASTERS**

2 **SEC. 6001. DEFINITIONS.**

3 For purposes of this title—

4 (1) CALIFORNIA FIRE DISASTER ZONE.—The
5 term “California fire disaster zone” means that por-
6 tion of the California fire disaster area determined
7 by the President to warrant individual or individual
8 and public assistance from the Federal Government
9 under the Robert T. Stafford Disaster Relief and
10 Emergency Assistance Act by reason of wildfires.

11 (2) CALIFORNIA FIRE DISASTER AREA.—The
12 term “California fire disaster area” means an area
13 with respect to which a major disaster has been de-
14 clared by the President on October 10, 2017, under
15 section 401 of such Act by reason of wildfires.

16 **SEC. 6002. SPECIAL DISASTER-RELATED RULES FOR USE OF**
17 **RETIREMENT FUNDS.**

18 (a) TAX-FAVORED WITHDRAWALS FROM RETIRE-
19 MENT PLANS.—

1 (1) IN GENERAL.—Section 72(t) shall not apply
2 to any qualified fire distribution.

3 (2) AGGREGATE DOLLAR LIMITATION.—

4 (A) IN GENERAL.—For purposes of this
5 subsection, the aggregate amount of distribu-
6 tions received by an individual which may be
7 treated as qualified fire distributions for any
8 taxable year shall not exceed the excess (if any)
9 of—

10 (i) \$100,000, over

11 (ii) the aggregate amounts treated as
12 qualified California fire distributions re-
13 ceived by such individual for all prior tax-
14 able years.

15 (B) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual would
16 (without regard to subparagraph (A)) be a
17 qualified California fire distribution, a plan
18 shall not be treated as violating any require-
19 ment of the Internal Revenue Code of 1986
20 merely because the plan treats such distribution
21 as a qualified California fire distribution, unless
22 the aggregate amount of such distributions
23 from all plans maintained by the employer (and
24 any member of any controlled group which in-
25

1 includes the employer) to such individual exceeds
2 \$100,000.

3 (C) CONTROLLED GROUP.—For purposes
4 of subparagraph (B), the term “controlled
5 group” means any group treated as a single
6 employer under subsection (b), (c), (m), or (o)
7 of section 414 of the Internal Revenue Code of
8 1986.

9 (3) AMOUNT DISTRIBUTED MAY BE REPAID.—

10 (A) IN GENERAL.—Any individual who re-
11 ceives a qualified California fire distribution
12 may, at any time during the 3-year period be-
13 ginning on the day after the date on which such
14 distribution was received, make one or more
15 contributions in an aggregate amount not to ex-
16 ceed the amount of such distribution to an eligi-
17 ble retirement plan of which such individual is
18 a beneficiary and to which a rollover contribu-
19 tion of such distribution could be made under
20 section 402(c), 403(a)(4), 403(b)(8), 408(d)(3),
21 or 457(e)(16), of the Internal Revenue Code of
22 1986, as the case may be.

23 (B) TREATMENT OF REPAYMENTS OF DIS-
24 TRIBUTIONS FROM ELIGIBLE RETIREMENT
25 PLANS OTHER THAN IRAS.—For purposes of

1 the Internal Revenue Code of 1986, if a con-
2 tribution is made pursuant to subparagraph (A)
3 with respect to a qualified California fire dis-
4 tribution from an eligible retirement plan other
5 than an individual retirement plan, then the
6 taxpayer shall, to the extent of the amount of
7 the contribution, be treated as having received
8 the qualified California fire distribution in an
9 eligible rollover distribution (as defined in sec-
10 tion 402(c)(4) of such Code) and as having
11 transferred the amount to the eligible retire-
12 ment plan in a direct trustee to trustee transfer
13 within 60 days of the distribution.

14 (C) TREATMENT OF REPAYMENTS FOR
15 DISTRIBUTIONS FROM IRAS.—For purposes of
16 the Internal Revenue Code of 1986, if a con-
17 tribution is made pursuant to subparagraph (A)
18 with respect to a qualified California fire dis-
19 tribution from an individual retirement plan (as
20 defined by section 7701(a)(37) of such Code),
21 then, to the extent of the amount of the con-
22 tribution, the qualified California fire distribu-
23 tion shall be treated as a distribution described
24 in section 408(d)(3) of such Code and as having
25 been transferred to the eligible retirement plan

1 in a direct trustee to trustee transfer within 60
2 days of the distribution.

3 (4) DEFINITIONS.—For purposes of this sub-
4 section—

5 (A) QUALIFIED CALIFORNIA FIRE DIS-
6 TRIBUTION.—Except as provided in paragraph
7 (2), the term “qualified California fire distribu-
8 tion” means any distribution from an eligible
9 retirement plan made on or after October 8,
10 2017, and before April 8, 2018, to an individual
11 whose principal place of abode on October 8,
12 2017, is located in the California fire disaster
13 area and who has sustained an economic loss by
14 reason of wildfires.

15 (B) ELIGIBLE RETIREMENT PLAN.—The
16 term “eligible retirement plan” shall have the
17 meaning given such term by section
18 402(c)(8)(B) of the Internal Revenue Code of
19 1986.

20 (5) INCOME INCLUSION SPREAD OVER 3-YEAR
21 PERIOD.—

22 (A) IN GENERAL.—In the case of any
23 qualified hurricane distribution, unless the tax-
24 payer elects not to have this paragraph apply
25 for any taxable year, any amount required to be

1 included in gross income for such taxable year
2 shall be so included ratably over the 3-taxable-
3 year period beginning with such taxable year.

4 (B) SPECIAL RULE.—For purposes of sub-
5 paragraph (A), rules similar to the rules of sub-
6 paragraph (E) of section 408A(d)(3) of the In-
7 ternal Revenue Code of 1986 shall apply.

8 (6) SPECIAL RULES.—

9 (A) EXEMPTION OF DISTRIBUTIONS FROM
10 TRUSTEE TO TRUSTEE TRANSFER AND WITH-
11 HOLDING RULES.—For purposes of sections
12 401(a)(31), 402(f), and 3405 of the Internal
13 Revenue Code of 1986, qualified California fire
14 distributions shall not be treated as eligible roll-
15 over distributions.

16 (B) QUALIFIED CALIFORNIA FIRE DIS-
17 TRIBUTIONS TREATED AS MEETING PLAN DIS-
18 TRIBUTION REQUIREMENTS.—For purposes the
19 Internal Revenue Code of 1986, a qualified
20 California fire distribution shall be treated as
21 meeting the requirements of sections
22 401(k)(2)(B)(i), 403(b)(7)(A)(ii), 403(b)(11),
23 and 457(d)(1)(A) of such Code.

24 (b) RECONTRIBUTIONS OF WITHDRAWALS FOR
25 HOME PURCHASES.—

1 (1) RECONTRIBUTIONS.—

2 (A) IN GENERAL.—Any individual who re-
3 ceived a qualified distribution may, during the
4 period beginning on October 8, 2017, and end-
5 ing on April 8, 2018, make one or more con-
6 tributions in an aggregate amount not to exceed
7 the amount of such qualified distribution to an
8 eligible retirement plan (as defined in section
9 402(c)(8)(B) of the Internal Revenue Code of
10 1986) of which such individual is a beneficiary
11 and to which a rollover contribution of such dis-
12 tribution could be made under section 402(c),
13 403(a)(4), 403(b)(8), or 408(d)(3), of such
14 Code, as the case may be.

15 (B) TREATMENT OF REPAYMENTS.—Rules
16 similar to the rules of subparagraphs (B) and
17 (C) of subsection (a)(3) shall apply for purposes
18 of this subsection.

19 (2) QUALIFIED DISTRIBUTION.—For purposes
20 of this subsection, the term “qualified distribution”
21 means any distribution—

22 (A) described in section
23 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but only
24 to the extent such distribution relates to finan-

1 cial hardship), 403(b)(11)(B), or 72(t)(2)(F),
2 of the Internal Revenue Code of 1986,

3 (B) received after October 8, 2017, and
4 before October 8, 2019, and

5 (C) which was to be used to purchase or
6 construct a principal residence in the California
7 fire disaster area, but which was not so pur-
8 chased or constructed on account of wildfires.

9 (c) LOANS FROM QUALIFIED PLANS.—

10 (1) INCREASE IN LIMIT ON LOANS NOT TREAT-
11 ED AS DISTRIBUTIONS.—In the case of any loan
12 from a qualified employer plan (as defined under
13 section 72(p)(4) of the Internal Revenue Code of
14 1986) to a qualified California fire individual made
15 during the period beginning on the date of the en-
16 actment of this Act and ending on April 8, 2018—

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

20 (B) clause (ii) of such section shall be ap-
21 plied by substituting “the present value of the
22 nonforfeitable accrued benefit of the employee
23 under the plan” for “one-half of the present
24 value of the nonforfeitable accrued benefit of
25 the employee under the plan”.

1 (2) DELAY OF REPAYMENT.—In the case of a
2 qualified California fire individual with an out-
3 standing loan on or after the qualified beginning
4 date from a qualified employer plan (as defined in
5 section 72(p)(4) of the Internal Revenue Code of
6 1986)—

7 (A) if the due date pursuant to subpara-
8 graph (B) or (C) of section 72(p)(2) of such
9 Code for any repayment with respect to such
10 loan occurs during the period beginning on Oc-
11 tober 8, 2017 and ending on April 8, 2018,
12 such due date shall be delayed for 1 year,

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

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

23 (3) QUALIFIED CALIFORNIA FIRE INDI-
24 VIDUAL.—For purposes of this subsection, the term
25 “qualified California fire individual” means an indi-

1 vidual whose principal place of abode on October 8,
2 2017, is located in the California fire disaster area
3 and who has sustained an economic loss by reason
4 of wildfires.

5 (d) PROVISIONS RELATING TO PLAN AMEND-
6 MENTS.—

7 (1) IN GENERAL.—If this subsection applies to
8 any amendment to any plan or annuity contract,
9 such plan or contract shall be treated as being oper-
10 ated in accordance with the terms of the plan during
11 the period described in paragraph (2)(B)(i).

12 (2) AMENDMENTS TO WHICH SUBSECTION AP-
13 PLIES.—

14 (A) IN GENERAL.—This subsection shall
15 apply to any amendment to any plan or annuity
16 contract which is made—

17 (i) pursuant to any provision of this
18 section, or pursuant to any regulation
19 issued by the Secretary or the Secretary of
20 Labor under any provision of this section,
21 and

22 (ii) on or before the last day of the
23 first plan year beginning on or after Octo-
24 ber 8, 2017, or such later date as the Sec-
25 retary may prescribe.

1 In the case of a governmental plan (as defined
2 in section 414(d) of the Internal Revenue Code
3 of 1986), clause (ii) shall be applied by sub-
4 stituting the date which is 2 years after the
5 date otherwise applied under clause (ii).

6 (B) CONDITIONS.—This subsection shall
7 not apply to any amendment unless—

8 (i) during the period—

9 (I) beginning on the date that
10 this section or the regulation de-
11 scribed in subparagraph (A)(i) takes
12 effect (or in the case of a plan or con-
13 tract amendment not required by this
14 section or such regulation, the effec-
15 tive date specified by the plan), and

16 (II) ending on the date described
17 in subparagraph (A)(ii) (or, if earlier,
18 the date the plan or contract amend-
19 ment is adopted),

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

23 (ii) such plan or contract amendment
24 applies retroactively for such period.

1 **SEC. 6003. DISASTER-RELATED EMPLOYMENT RELIEF.**

2 (a) **EMPLOYEE RETENTION CREDIT FOR EMPLOYERS**
3 **AFFECTED BY WILDFIRES.—**

4 (1) **IN GENERAL.—**For purposes of section 38
5 of the Internal Revenue Code of 1986, in the case
6 of an eligible employer, the California fire employee
7 retention credit shall be treated as a credit listed in
8 subsection (b) of such section. For purposes of this
9 subsection, the California fire employee retention
10 credit for any taxable year is an amount equal to 40
11 percent of the qualified wages with respect to each
12 eligible employee of such employer for such taxable
13 year. For purposes of the preceding sentence, the
14 amount of qualified wages which may be taken into
15 account with respect to any individual shall not ex-
16 ceed \$6,000.

17 (2) **DEFINITIONS.—**For purposes of this sub-
18 section—

19 (A) **ELIGIBLE EMPLOYER.—**The term “eli-
20 gible employer” means any employer—

21 (i) which conducted an active trade or
22 business on October 8, 2017, in the Cali-
23 fornia fire disaster zone, and

24 (ii) with respect to whom the trade or
25 business described in clause (i) is inoper-
26 able on any day after October 8, 2017, and

1 before April 8, 2018, as a result of damage
2 sustained by reason of wildfires.

3 (B) ELIGIBLE EMPLOYEE.—The term “eli-
4 gible employee” means with respect to an eligi-
5 ble employer an employee whose principal place
6 of employment on October 8, 2017, with such
7 eligible employer was in the California fire dis-
8 aster zone.

9 (C) QUALIFIED WAGES.—The term “quali-
10 fied wages” means wages (as defined in section
11 51(c)(1) of the Internal Revenue Code of 1986,
12 but without regard to section 3306(b)(2)(B) of
13 such Code) paid or incurred by an eligible em-
14 ployer with respect to an eligible employee on
15 any day after October 8, 2017, and before April
16 8, 2018, which occurs during the period—

17 (i) beginning on the date on which the
18 trade or business described in subpara-
19 graph (A) first became inoperable at the
20 principal place of employment of the em-
21 ployee immediately before October 8, 2017,
22 and

23 (ii) ending on the date on which such
24 trade or business has resumed significant

1 operations at such principal place of em-
2 ployment.

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

10 (3) CERTAIN RULES TO APPLY.—For purposes
11 of this subsection, rules similar to the rules of sec-
12 tions 51(i)(1) and 52, of the Internal Revenue Code
13 of 1986, shall apply.

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

21 **SEC. 6004. ADDITIONAL DISASTER-RELATED TAX RELIEF**
22 **PROVISIONS.**

23 (a) TEMPORARY SUSPENSION OF LIMITATIONS ON
24 CHARITABLE CONTRIBUTIONS.—

1 (1) IN GENERAL.—Except as otherwise pro-
2 vided in paragraph (2), subsection (b) of section 170
3 of the Internal Revenue Code of 1986 shall not
4 apply to qualified contributions and such contribu-
5 tions shall not be taken into account for purposes of
6 applying subsections (b) and (d) of such section to
7 other contributions.

8 (2) TREATMENT OF EXCESS CONTRIBUTIONS.—
9 For purposes of section 170 of the Internal Revenue
10 Code of 1986—

11 (A) INDIVIDUALS.—In the case of an indi-
12 vidual—

13 (i) LIMITATION.—Any qualified con-
14 tribution shall be allowed only to the ex-
15 tent that the aggregate of such contribu-
16 tions does not exceed the excess of the tax-
17 payer's contribution base (as defined in
18 subparagraph (G) of section 170(b)(1) of
19 such Code) over the amount of all other
20 charitable contributions allowed under sec-
21 tion 170(b)(1) of such Code.

22 (ii) CARRYOVER.—If the aggregate
23 amount of qualified contributions made in
24 the contribution year (within the meaning
25 of section 170(d)(1) of such Code) exceeds

1 the limitation of clause (i), such excess
2 shall be added to the excess described in
3 the portion of subparagraph (A) of such
4 section which precedes clause (i) thereof
5 for purposes of applying such section.

6 (B) CORPORATIONS.—In the case of a cor-
7 poration—

8 (i) LIMITATION.—Any qualified con-
9 tribution shall be allowed only to the ex-
10 tent that the aggregate of such contribu-
11 tions does not exceed the excess of the tax-
12 payer's taxable income (as determined
13 under paragraph (2) of section 170(b) of
14 such Code) over the amount of all other
15 charitable contributions allowed under such
16 paragraph.

17 (ii) CARRYOVER.—Rules similar to the
18 rules of subparagraph (A)(ii) shall apply
19 for purposes of this subparagraph.

20 (3) EXCEPTION TO OVERALL LIMITATION ON
21 ITEMIZED DEDUCTIONS.—So much of any deduction
22 allowed under section 170 of the Internal Revenue
23 Code of 1986 as does not exceed the qualified con-
24 tributions paid during the taxable year shall not be

1 treated as an itemized deduction for purposes of sec-
2 tion 68 of such Code.

3 (4) QUALIFIED CONTRIBUTIONS.—

4 (A) IN GENERAL.—For purposes of this
5 subsection, the term “qualified contribution”
6 means any charitable contribution (as defined
7 in section 170(c) of the Internal Revenue Code
8 of 1986) if—

9 (i) such contribution—

10 (I) is paid during the period be-
11 ginning on October 8, 2017, and end-
12 ing on December 31, 2017, in cash to
13 an organization described in section
14 170(b)(1)(A) of such Code, and

15 (II) is made for relief efforts in
16 the California fire disaster area,

17 (ii) the taxpayer obtains from such or-
18 ganization contemporaneous written ac-
19 knowledgment (within the meaning of sec-
20 tion 170(f)(8) of such Code) that such con-
21 tribution was used (or is to be used) for
22 relief efforts described in clause (i)(II),
23 and

1 (iii) the taxpayer has elected the ap-
2 plication of this subsection with respect to
3 such contribution.

4 (B) EXCEPTION.—Such term shall not in-
5 clude a contribution by a donor if the contribu-
6 tion is—

7 (i) to an organization described in sec-
8 tion 509(a)(3) of the Internal Revenue
9 Code of 1986, or

10 (ii) for the establishment of a new, or
11 maintenance of an existing, donor advised
12 fund (as defined in section 4966(d)(2) of
13 such Code).

14 (C) APPLICATION OF ELECTION TO PART-
15 NERSHIPS AND S CORPORATIONS.—In the case
16 of a partnership or S corporation, the election
17 under subparagraph (A)(iii) shall be made sepa-
18 rately by each partner or shareholder.

19 (b) SPECIAL RULES FOR QUALIFIED DISASTER-RE-
20 LATED PERSONAL CASUALTY LOSSES.—

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

23 (A) the amount determined under section
24 165(h)(2)(A)(ii) of the Internal Revenue Code
25 of 1986 shall be equal to the sum of—

1 (i) such net disaster loss, and
2 (ii) so much of the excess referred to
3 in the matter preceding clause (i) of sec-
4 tion 165(h)(2)(A) of such Code (reduced
5 by the amount in clause (i) of this sub-
6 paragraph) as exceeds 10 percent of the
7 adjusted gross income of the individual,

8 (B) section 165(h)(1) of such Code shall
9 be applied by substituting “\$500” for “\$500
10 (\$100 for taxable years beginning after Decem-
11 ber 31, 2009”),

12 (C) the standard deduction determined
13 under section 63(c) of such Code shall be in-
14 creased by the net disaster loss, and

15 (D) section 56(b)(1)(E) of such Code shall
16 not apply to so much of the standard deduction
17 as is attributable to the increase under sub-
18 paragraph (C) of this paragraph.

19 (2) NET DISASTER LOSS.—For purposes of this
20 subsection, the term “net disaster loss” means the
21 excess of qualified disaster-related personal casualty
22 losses over personal casualty gains (as defined in
23 section 165(h)(3)(A) of the Internal Revenue Code
24 of 1986).

1 (3) QUALIFIED DISASTER-RELATED PERSONAL
2 CASUALTY LOSSES.—For purposes of this sub-
3 section, the term “qualified disaster-related personal
4 casualty losses” means losses described in section
5 165(c)(3) of the Internal Revenue Code of 1986
6 which arise in the California fire disaster area on or
7 after October 8, 2017, and which are attributable to
8 wildfires.

9 (c) SPECIAL RULE FOR DETERMINING EARNED IN-
10 COME.—

11 (1) IN GENERAL.—In the case of a qualified
12 California fire individual, if the earned income of the
13 taxpayer for the taxable year which includes October
14 8, 2017 is less than the earned income of the tax-
15 payer for the preceding taxable year, the credits al-
16 lowed under sections 24(d) and 32 of the Internal
17 Revenue Code of 1986 may, at the election of the
18 taxpayer, be determined by substituting—

19 (A) such earned income for the preceding
20 taxable year, for

21 (B) such earned income for the taxable
22 year which includes such date.

23 (2) QUALIFIED CALIFORNIA FIRE INDI-
24 VIDUAL.—For purposes of this subsection, the term
25 “qualified California fire individual” means any indi-

1 vidual whose principal place of abode on October 8,
2 2017, was located—

3 (A) in the California fire disaster zone, or

4 (B) in the California fire disaster area (but
5 outside the California fire disaster zone) and
6 such individual was displaced from such prin-
7 cipal place of abode by reason of wildfires.

8 (3) EARNED INCOME.—For purposes of this
9 subsection, the term “earned income” has the mean-
10 ing given such term under section 32(c) of the Inter-
11 nal Revenue Code of 1986.

12 (4) SPECIAL RULES.—

13 (A) APPLICATION TO JOINT RETURNS.—

14 For purposes of paragraph (1), in the case of
15 a joint return for a taxable year which includes
16 October 8, 2017—

17 (i) such paragraph shall apply if ei-
18 ther spouse is a qualified California fire in-
19 dividual, and

20 (ii) the earned income of the taxpayer
21 for the preceding taxable year shall be the
22 sum of the earned income of each spouse
23 for such preceding taxable year.

24 (B) UNIFORM APPLICATION OF ELEC-
25 TION.—Any election made under paragraph (1)

1 shall apply with respect to both sections 24(d)
2 and 32, of the Internal Revenue Code of 1986.

3 (C) ERRORS TREATED AS MATHEMATICAL
4 ERROR.—For purposes of section 6213 of the
5 Internal Revenue Code of 1986, an incorrect
6 use on a return of earned income pursuant to
7 paragraph (1) shall be treated as a mathe-
8 matical or clerical error.

9 (D) NO EFFECT ON DETERMINATION OF
10 GROSS INCOME, ETC.—Except as otherwise pro-
11 vided in this subsection, the Internal Revenue
12 Code of 1986 shall be applied without regard to
13 any substitution under paragraph (1).

14 **SEC. 6005. CORPORATE RATE INCREASE TO ACHIEVE REV-**
15 **ENUE NEUTRALITY.**

16 (a) IN GENERAL.—The rate of tax specified in sec-
17 tion 11(b)(1) of the Internal Revenue Code of 1986 (after
18 the amendment made by section 3001(a)) shall be in-
19 creased by such number of percentage points as is nec-
20 essary to fully offset the aggregate reduction in Federal
21 revenues which result from the provisions of this title
22 (other than this section).

1 (b) EFFECTIVE DATE.—Subsection (a) shall apply as
2 if such provision were an amendment made by section
3 3001(a).

