

115TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To provide tax relief related to Hurricanes Harvey, Irma, and Maria.

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IN THE SENATE OF THE UNITED STATES

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Mr. CRUZ introduced the following bill; which was read twice and referred to  
the Committee on \_\_\_\_\_

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**A BILL**

To provide tax relief related to Hurricanes Harvey, Irma,  
and Maria.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. DEFINITIONS.**

4       (a) HURRICANE HARVEY DISASTER ZONE AND DIS-  
5       ASTER AREA.—For purposes of this Act—

6               (1) HURRICANE HARVEY DISASTER ZONE.—The  
7       term “Hurricane Harvey disaster zone” means that  
8       portion of the Hurricane Harvey disaster area deter-  
9       mined by the President to warrant individual or in-  
10      dividual and public assistance from the Federal Gov-  
11      ernment under the Robert T. Stafford Disaster Re-

1        lief and Emergency Assistance Act by reason of  
2        Hurricane Harvey.

3            (2) HURRICANE HARVEY DISASTER AREA.—The  
4        term “Hurricane Harvey disaster area” means an  
5        area with respect to which a major disaster has been  
6        declared by the President before September 21,  
7        2017, under section 401 of such Act by reason of  
8        Hurricane Harvey.

9            (b) HURRICANE IRMA DISASTER ZONE AND DIS-  
10        ASTER AREA.—For purposes of this Act—

11            (1) HURRICANE IRMA DISASTER ZONE.—The  
12        term “Hurricane Irma disaster zone” means that  
13        portion of the Hurricane Irma disaster area deter-  
14        mined by the President to warrant individual or in-  
15        dividual and public assistance from the Federal Gov-  
16        ernment under such Act by reason of Hurricane  
17        Irma.

18            (2) HURRICANE IRMA DISASTER AREA.—The  
19        term “Hurricane Irma disaster area” means an area  
20        with respect to which a major disaster has been de-  
21        clared by the President before September 21, 2017,  
22        under section 401 of such Act by reason of Hurri-  
23        cane Irma.

24            (c) HURRICANE MARIA DISASTER ZONE AND DIS-  
25        ASTER AREA.—For purposes of this Act—

1           (1) HURRICANE MARIA DISASTER ZONE.—The  
2 term “Hurricane Maria disaster zone” means that  
3 portion of the Hurricane Maria disaster area deter-  
4 mined by the President to warrant individual or in-  
5 dividual and public assistance from the Federal Gov-  
6 ernment under such Act by reason of Hurricane  
7 Maria.

8           (2) HURRICANE MARIA DISASTER AREA.—The  
9 term “Hurricane Maria disaster area” means an  
10 area with respect to which a major disaster has been  
11 declared by the President before September 21,  
12 2017, under section 401 of such Act by reason of  
13 Hurricane Maria.

14 **SEC. 2. SPECIAL DISASTER-RELATED RULES FOR USE OF**  
15 **RETIREMENT FUNDS.**

16           (a) TAX-FAVORED WITHDRAWALS FROM RETIRE-  
17 MENT PLANS.—

18           (1) IN GENERAL.—Section 72(t) of the Internal  
19 Revenue Code of 1986 shall not apply to any quali-  
20 fied hurricane distribution.

21           (2) AGGREGATE DOLLAR LIMITATION.—

22           (A) IN GENERAL.—For purposes of this  
23 subsection, the aggregate amount of distribu-  
24 tions received by an individual which may be  
25 treated as qualified hurricane distributions for

1 any taxable year shall not exceed the excess (if  
2 any) of—

3 (i) \$100,000, over

4 (ii) the aggregate amounts treated as  
5 qualified hurricane distributions received  
6 by such individual for all prior taxable  
7 years.

8 (B) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual would  
9 (without regard to subparagraph (A)) be a  
10 qualified hurricane distribution, a plan shall not  
11 be treated as violating any requirement of the  
12 Internal Revenue Code of 1986 merely because  
13 the plan treats such distribution as a qualified  
14 hurricane distribution, unless the aggregate  
15 amount of such distributions from all plans  
16 maintained by the employer (and any member  
17 of any controlled group which includes the em-  
18 ployer) to such individual exceeds \$100,000.

19 (C) CONTROLLED GROUP.—For purposes  
20 of subparagraph (B), the term “controlled  
21 group” means any group treated as a single  
22 employer under subsection (b), (c), (m), or (o)  
23 of section 414 of the Internal Revenue Code of  
24 1986.  
25

1 (3) AMOUNT DISTRIBUTED MAY BE REPAID.—

2 (A) IN GENERAL.—Any individual who re-  
3 ceives a qualified hurricane distribution may, at  
4 any time during the 3-year period beginning on  
5 the day after the date on which such distribu-  
6 tion was received, make one or more contribu-  
7 tions in an aggregate amount not to exceed the  
8 amount of such distribution to an eligible retire-  
9 ment plan of which such individual is a bene-  
10 ficiary and to which a rollover contribution of  
11 such distribution could be made under section  
12 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or  
13 457(e)(16), of the Internal Revenue Code of  
14 1986, as the case may be.

15 (B) TREATMENT OF REPAYMENTS OF DIS-  
16 TRIBUTIONS FROM ELIGIBLE RETIREMENT  
17 PLANS OTHER THAN IRAS.—For purposes of  
18 the Internal Revenue Code of 1986, if a con-  
19 tribution is made pursuant to subparagraph (A)  
20 with respect to a qualified hurricane distribu-  
21 tion from an eligible retirement plan other than  
22 an individual retirement plan, then the taxpayer  
23 shall, to the extent of the amount of the con-  
24 tribution, be treated as having received the  
25 qualified hurricane distribution in an eligible

1            rollover distribution (as defined in section  
2            402(c)(4) of such Code) and as having trans-  
3            ferred the amount to the eligible retirement  
4            plan in a direct trustee to trustee transfer with-  
5            in 60 days of the distribution.

6            (C) TREATMENT OF REPAYMENTS FOR  
7            DISTRIBUTIONS FROM IRAS.—For purposes of  
8            the Internal Revenue Code of 1986, if a con-  
9            tribution is made pursuant to subparagraph (A)  
10           with respect to a qualified hurricane distribu-  
11           tion from an individual retirement plan (as de-  
12           fined by section 7701(a)(37) of such Code),  
13           then, to the extent of the amount of the con-  
14           tribution, the qualified hurricane distribution  
15           shall be treated as a distribution described in  
16           section 408(d)(3) of such Code and as having  
17           been transferred to the eligible retirement plan  
18           in a direct trustee to trustee transfer within 60  
19           days of the distribution.

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

22           (A) QUALIFIED HURRICANE DISTRIBUTION.—Except as provided in paragraph (2),  
23           the term “qualified hurricane distribution”  
24           means—  
25

1 (i) any distribution from an eligible  
2 retirement plan made on or after August  
3 23, 2017, and before January 1, 2019, to  
4 an individual whose principal place of  
5 abode on August 23, 2017, is located in  
6 the Hurricane Harvey disaster area and  
7 who has sustained an economic loss by rea-  
8 son of Hurricane Harvey,

9 (ii) any distribution (which is not de-  
10 scribed in clause (i)) from an eligible re-  
11 tirement plan made on or after September  
12 4, 2017, and before January 1, 2019, to  
13 an individual whose principal place of  
14 abode on September 4, 2017, is located in  
15 the Hurricane Irma disaster area and who  
16 has sustained an economic loss by reason  
17 of Hurricane Irma, and

18 (iii) any distribution (which is not de-  
19 scribed in clause (i) or (ii)) from an eligi-  
20 ble retirement plan made on or after Sep-  
21 tember 16, 2017, and before January 1,  
22 2019, to an individual whose principal  
23 place of abode on September 16, 2017, is  
24 located in the Hurricane Maria disaster

1 area and who has sustained an economic  
2 loss by reason of Hurricane Maria.

3 (B) ELIGIBLE RETIREMENT PLAN.—The  
4 term “eligible retirement plan” shall have the  
5 meaning given such term by section  
6 402(c)(8)(B) of the Internal Revenue Code of  
7 1986.

8 (5) INCOME INCLUSION SPREAD OVER 3-YEAR  
9 PERIOD.—

10 (A) IN GENERAL.—In the case of any  
11 qualified hurricane distribution, unless the tax-  
12 payer elects not to have this paragraph apply  
13 for any taxable year, any amount required to be  
14 included in gross income for such taxable year  
15 shall be so included ratably over the 3-taxable  
16 year period beginning with such taxable year.

17 (B) SPECIAL RULE.—For purposes of sub-  
18 paragraph (A), rules similar to the rules of sub-  
19 paragraph (E) of section 408A(d)(3) of the In-  
20 ternal Revenue Code of 1986 shall apply.

21 (6) SPECIAL RULES.—

22 (A) EXEMPTION OF DISTRIBUTIONS FROM  
23 TRUSTEE TO TRUSTEE TRANSFER AND WITH-  
24 HOLDING RULES.—For purposes of sections  
25 401(a)(31), 402(f), and 3405 of the Internal



1 Revenue Code of 1986, qualified hurricane dis-  
2 tributions shall not be treated as eligible roll-  
3 over distributions.

4 (B) QUALIFIED HURRICANE DISTRIBUTU-  
5 TIONS TREATED AS MEETING PLAN DISTRIBUTU-  
6 TION REQUIREMENTS.—For purposes the Inter-  
7 nal Revenue Code of 1986, a qualified hurri-  
8 cane distribution shall be treated as meeting  
9 the requirements of sections 401(k)(2)(B)(i),  
10 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A)  
11 of such Code.

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

14 (1) RECONTRIBUTIONS.—

15 (A) IN GENERAL.—Any individual who re-  
16 ceived a qualified distribution may, during the  
17 period beginning on August 23, 2017, and end-  
18 ing on February 28, 2018, make one or more  
19 contributions in an aggregate amount not to ex-  
20 ceed the amount of such qualified distribution  
21 to an eligible retirement plan (as defined in sec-  
22 tion 402(e)(8)(B) of the Internal Revenue Code  
23 of 1986) of which such individual is a bene-  
24 ficiary and to which a rollover contribution of  
25 such distribution could be made under section

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

3           (B) TREATMENT OF REPAYMENTS.—Rules  
4           similar to the rules of subparagraphs (B) and  
5           (C) of subsection (a)(3) shall apply for purposes  
6           of this subsection.

7           (2) QUALIFIED DISTRIBUTION.—For purposes  
8           of this subsection, the term “qualified distribution”  
9           means any distribution—

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

15           (B) received after February 28, 2017, and  
16           before September 21, 2017, and

17           (C) which was to be used to purchase or  
18           construct a principal residence in the Hurricane  
19           Harvey disaster area, the Hurricane Irma dis-  
20           aster area, or the Hurricane Maria disaster  
21           area, but which was not so purchased or con-  
22           structed on account of Hurricane Harvey, Hur-  
23           ricane Irma, or Hurricane Maria.

24           (c) LOANS FROM QUALIFIED PLANS.—

1           (1) INCREASE IN LIMIT ON LOANS NOT TREAT-  
2           ED AS DISTRIBUTIONS.—In the case of any loan  
3           from a qualified employer plan (as defined under  
4           section 72(p)(4) of the Internal Revenue Code of  
5           1986) to a qualified individual made during the pe-  
6           riod beginning on the date of the enactment of this  
7           Act and ending on December 31, 2018—

8                   (A) clause (i) of section 72(p)(2)(A) of  
9                   such Code shall be applied by substituting  
10                  “\$100,000” for “\$50,000”, and

11                  (B) clause (ii) of such section shall be ap-  
12                  plied by substituting “the present value of the  
13                  nonforfeitable accrued benefit of the employee  
14                  under the plan” for “one-half of the present  
15                  value of the nonforfeitable accrued benefit of  
16                  the employee under the plan”.

17           (2) DELAY OF REPAYMENT.—In the case of a  
18           qualified individual with an outstanding loan on or  
19           after the qualified beginning date from a qualified  
20           employer plan (as defined in section 72(p)(4) of the  
21           Internal Revenue Code of 1986)—

22                   (A) if the due date pursuant to subpara-  
23                   graph (B) or (C) of section 72(p)(2) of such  
24                   Code for any repayment with respect to such  
25                   loan occurs during the period beginning on the

1 qualified beginning date and ending on Decem-  
2 ber 31, 2018, such due date shall be delayed for  
3 1 year,

4 (B) any subsequent repayments with re-  
5 spect to any such loan shall be appropriately  
6 adjusted to reflect the delay in the due date  
7 under paragraph (1) and any interest accruing  
8 during such delay, and

9 (C) in determining the 5-year period and  
10 the term of a loan under subparagraph (B) or  
11 (C) of section 72(p)(2) of such Code, the period  
12 described in subparagraph (A) shall be dis-  
13 regarded.

14 (3) QUALIFIED INDIVIDUAL.—For purposes of  
15 this subsection—

16 (A) IN GENERAL.—The term “qualified in-  
17 dividual” means any qualified Hurricane Har-  
18 vey individual, any qualified Hurricane Irma in-  
19 dividual, and any qualified Hurricane Maria in-  
20 dividual.

21 (B) QUALIFIED HURRICANE HARVEY INDI-  
22 VIDUAL.—The term “qualified Hurricane Har-  
23 vey individual” means an individual whose prin-  
24 cipal place of abode on August 23, 2017, is lo-  
25 cated in the Hurricane Harvey disaster area

1 and who has sustained an economic loss by rea-  
2 son of Hurricane Harvey.

3 (C) QUALIFIED HURRICANE IRMA INDI-  
4 VIDUAL.—The term “qualified Hurricane Irma  
5 individual” means an individual (other than a  
6 qualified Hurricane Harvey individual) whose  
7 principal place of abode on September 4, 2017,  
8 is located in the Hurricane Irma disaster area  
9 and who has sustained an economic loss by rea-  
10 son of Hurricane Irma.

11 (D) QUALIFIED HURRICANE MARIA INDI-  
12 VIDUAL.—The term “qualified Hurricane Maria  
13 individual” means an individual (other than a  
14 qualified Hurricane Harvey individual or a  
15 qualified Hurricane Irma individual) whose  
16 principal place of abode on September 16,  
17 2017, is located in the Hurricane Maria dis-  
18 aster area and who has sustained an economic  
19 loss by reason of Hurricane Maria.

20 (4) QUALIFIED BEGINNING DATE.—For pur-  
21 poses of this subsection, the qualified beginning date  
22 is—

23 (A) in the case of any qualified Hurricane  
24 Harvey individual, August 23, 2017,

1 (B) in the case of any qualified Hurricane  
2 Irma individual, September 4, 2017, and

3 (C) in the case of any qualified Hurricane  
4 Maria individual, September 16, 2017.

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 Janu-  
24 ary 1, 2019, 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 plan  
21 or contract amendment were in effect; and

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

1 **SEC. 3. DISASTER-RELATED EMPLOYMENT RELIEF.**

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

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 Hurricane Harvey em-  
7 ployee retention credit shall be treated as a credit  
8 listed in subsection (b) of such section. For purposes  
9 of this subsection, the Hurricane Harvey employee  
10 retention credit for any taxable year is an amount  
11 equal to 40 percent of the qualified wages with re-  
12 spect to each eligible employee of such employer for  
13 such taxable year. For purposes of the preceding  
14 sentence, the amount of qualified wages which may  
15 be taken into account with respect to any individual  
16 shall not exceed \$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 August 23, 2017, in the Hur-  
23 ricane Harvey 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 August 23, 2017,



1           and before January 1, 2018, as a result of  
2           damage sustained by reason of Hurricane  
3           Harvey.

4           (B) ELIGIBLE EMPLOYEE.—The term “eli-  
5           gible employee” means with respect to an eligi-  
6           ble employer an employee whose principal place  
7           of employment on August 23, 2017, with such  
8           eligible employer was in the Hurricane Harvey  
9           disaster zone.

10          (C) QUALIFIED WAGES.—The term “quali-  
11          fied wages” means wages (as defined in section  
12          51(c)(1) of the Internal Revenue Code of 1986,  
13          but without regard to section 3306(b)(2)(B) of  
14          such Code) paid or incurred by an eligible em-  
15          ployer with respect to an eligible employee on  
16          any day after August 23, 2017, and before Jan-  
17          uary 1, 2018, which occurs during the period—

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

24               (ii) ending on the date on which such  
25               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 (b) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS  
22 AFFECTED BY HURRICANE IRMA.—

23 (1) IN GENERAL.—For purposes of section 38  
24 of the Internal Revenue Code of 1986, in the case  
25 of an eligible employer, the Hurricane Irma em-

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

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

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

15            (i) which conducted an active trade or  
16       business on September 4, 2017, in the  
17       Hurricane Irma disaster zone, and

18            (ii) with respect to whom the trade or  
19       business described in clause (i) is inoper-  
20       able on any day after September 4, 2017,  
21       and before January 1, 2018, as a result of  
22       damage sustained by reason of Hurricane  
23       Irma.

24            (B) ELIGIBLE EMPLOYEE.—The term “eli-  
25       gible employee” means with respect to an eligi-

1           ble employer an employee whose principal place  
2           of employment on September 4, 2017, with  
3           such eligible employer was in the Hurricane  
4           Irma disaster zone.

5           (C) QUALIFIED WAGES.—The term “quali-  
6           fied wages” means wages (as defined in section  
7           51(c)(1) of the Internal Revenue Code of 1986,  
8           but without regard to section 3306(b)(2)(B) of  
9           such Code) paid or incurred by an eligible em-  
10          ployer with respect to an eligible employee on  
11          any day after September 4, 2017, and before  
12          January 1, 2018, which occurs during the pe-  
13          riod—

14               (i) beginning on the date on which the  
15               trade or business described in subpara-  
16               graph (A) first became inoperable at the  
17               principal place of employment of the em-  
18               ployee immediately before Hurricane Irma,  
19               and

20               (ii) ending on the date on which such  
21               trade or business has resumed significant  
22               operations at such principal place of em-  
23               ployment.

24          Such term shall include wages paid without re-  
25          gard to whether the employee performs no serv-

1           ices, performs services at a different place of  
2           employment than such principal place of em-  
3           ployment, or performs services at such principal  
4           place of employment before significant oper-  
5           ations have resumed.

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

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

17          (c) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS  
18          AFFECTED BY HURRICANE MARIA.—

19          (1) IN GENERAL.—For purposes of section 38  
20          of the Internal Revenue Code of 1986, in the case  
21          of an eligible employer, the Hurricane Maria em-  
22          ployee retention credit shall be treated as a credit  
23          listed in subsection (b) of such section. For purposes  
24          of this subsection, the Hurricane Maria employee re-  
25          tention credit for any taxable year is an amount

1 equal to 40 percent of the qualified wages with re-  
2 spect to each eligible employee of such employer for  
3 such taxable year. For purposes of the preceding  
4 sentence, the amount of qualified wages which may  
5 be taken into account with respect to any individual  
6 shall not exceed \$6,000.

7 (2) DEFINITIONS.—For purposes of this sub-  
8 section—

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

11 (i) which conducted an active trade or  
12 business on September 16, 2017, in the  
13 Hurricane Maria disaster zone, and

14 (ii) with respect to whom the trade or  
15 business described in clause (i) is inoper-  
16 able on any day after September 16, 2017,  
17 and before January 1, 2018, as a result of  
18 damage sustained by reason of Hurricane  
19 Maria.

20 (B) ELIGIBLE EMPLOYEE.—The term “eli-  
21 gible employee” means with respect to an eligi-  
22 ble employer an employee whose principal place  
23 of employment on September 16, 2017, with  
24 such eligible employer was in the Hurricane  
25 Maria disaster zone.

1           (C) QUALIFIED WAGES.—The term “quali-  
2           fied wages” means wages (as defined in section  
3           51(c)(1) of the Internal Revenue Code of 1986,  
4           but without regard to section 3306(b)(2)(B) of  
5           such Code) paid or incurred by an eligible em-  
6           ployer with respect to an eligible employee on  
7           any day after September 16, 2017, and before  
8           January 1, 2018, which occurs during the pe-  
9           riod—

10                   (i) beginning on the date on which the  
11                   trade or business described in subpara-  
12                   graph (A) first became inoperable at the  
13                   principal place of employment of the em-  
14                   ployee immediately before Hurricane  
15                   Maria, and

16                   (ii) ending on the date on which such  
17                   trade or business has resumed significant  
18                   operations at such principal place of em-  
19                   ployment.

20           Such term shall include wages paid without re-  
21           gard to whether the employee performs no serv-  
22           ices, performs services at a different place of  
23           employment than such principal place of em-  
24           ployment, or performs services at such principal

1 place of employment before significant oper-  
2 ations have resumed.

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

7 (4) EMPLOYEE NOT TAKEN INTO ACCOUNT  
8 MORE THAN ONCE.—An employee shall not be treat-  
9 ed as an eligible employee for purposes of this sub-  
10 section for any period with respect to any employer  
11 if such employer is allowed a credit under subsection  
12 (a) or (b), or section 51 of the Internal Revenue  
13 Code of 1986, with respect to such employee for  
14 such period.

15 **SEC. 4. ADDITIONAL DISASTER-RELATED TAX RELIEF PRO-**  
16 **VISIONS.**

17 (a) TEMPORARY SUSPENSION OF LIMITATIONS ON  
18 CHARITABLE CONTRIBUTIONS.—

19 (1) IN GENERAL.—Except as otherwise pro-  
20 vided in paragraph (2), subsection (b) of section 170  
21 of the Internal Revenue Code of 1986 shall not  
22 apply to qualified contributions and such contribu-  
23 tions shall not be taken into account for purposes of  
24 applying subsections (b) and (d) of such section to  
25 other contributions.



1           (2) TREATMENT OF EXCESS CONTRIBUTIONS.—

2           For purposes of section 170 of the Internal Revenue  
3           Code of 1986—

4                   (A) INDIVIDUALS.—In the case of an indi-  
5           vidual—

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

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

24                          (B) CORPORATIONS.—In the case of a cor-  
25           poration—

1 (i) LIMITATION.—Any qualified con-  
2 tribution shall be allowed only to the ex-  
3 tent that the aggregate of such contribu-  
4 tions does not exceed the excess of the tax-  
5 payer’s taxable income (as determined  
6 under paragraph (2) of section 170(b) of  
7 such Code) over the amount of all other  
8 charitable contributions allowed under such  
9 paragraph.

10 (ii) CARRYOVER.—Rules similar to the  
11 rules of subparagraph (A)(ii) shall apply  
12 for purposes of this subparagraph.

13 (3) EXCEPTION TO OVERALL LIMITATION ON  
14 ITEMIZED DEDUCTIONS.—So much of any deduction  
15 allowed under section 170 of the Internal Revenue  
16 Code of 1986 as does not exceed the qualified con-  
17 tributions paid during the taxable year shall not be  
18 treated as an itemized deduction for purposes of sec-  
19 tion 68 of such Code.

20 (4) QUALIFIED CONTRIBUTIONS.—

21 (A) IN GENERAL.—For purposes of this  
22 subsection, the term “qualified contribution”  
23 means any charitable contribution (as defined  
24 in section 170(c) of the Internal Revenue Code  
25 of 1986) if—

1 (i) such contribution—

2 (I) is paid during the period be-  
3 ginning on August 23, 2017, and end-  
4 ing on December 31, 2017, in cash to  
5 an organization described in section  
6 170(b)(1)(A) of such Code, and

7 (II) is made for relief efforts in  
8 the Hurricane Harvey disaster area,  
9 the Hurricane Irma disaster area, or  
10 the Hurricane Maria disaster area,

11 (ii) the taxpayer obtains from such or-  
12 ganization contemporaneous written ac-  
13 knowledgment (within the meaning of sec-  
14 tion 170(f)(8) of such Code) that such con-  
15 tribution was used (or is to be used) for  
16 relief efforts described in clause (i)(II),  
17 and

18 (iii) the taxpayer has elected the ap-  
19 plication of this subsection with respect to  
20 such contribution.

21 (B) EXCEPTION.—Such term shall not in-  
22 clude a contribution by a donor if the contribu-  
23 tion is—

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

4 (ii) for the establishment of a new, or  
5 maintenance of an existing, donor advised  
6 fund (as defined in section 4966(d)(2) of  
7 such Code).

8 (C) APPLICATION OF ELECTION TO PART-  
9 NERSHIPS AND S CORPORATIONS.—In the case  
10 of a partnership or S corporation, the election  
11 under subparagraph (A)(iii) shall be made sepa-  
12 rately by each partner or shareholder.

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

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

17 (A) the amount determined under section  
18 165(h)(2)(A)(ii) of the Internal Revenue Code  
19 of 1986 shall be equal to the sum of—

20 (i) such net disaster loss, and

21 (ii) so much of the excess referred to  
22 in the matter preceding clause (i) of sec-  
23 tion 165(h)(2)(A) of such Code (reduced  
24 by the amount in clause (i) of this sub-

1 paragraph) as exceeds 10 percent of the  
2 adjusted gross income of the individual,

3 (B) section 165(h)(1) of such Code shall  
4 be applied by substituting “\$500” for “\$500  
5 (\$100 for taxable years beginning after Decem-  
6 ber 31, 2009)”,

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

10 (D) section 56(b)(1)(E) of such Code shall  
11 not apply to so much of the standard deduction  
12 as is attributable to the increase under sub-  
13 paragraph (C) of this paragraph.

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

20 (3) QUALIFIED DISASTER-RELATED PERSONAL  
21 CASUALTY LOSSES.—For purposes of this sub-  
22 section, the term “qualified disaster-related personal  
23 casualty losses” means losses described in section  
24 165(c)(3) of the Internal Revenue Code of 1986—

1 (A) which arise in the Hurricane Harvey  
2 disaster area on or after August 23, 2017, and  
3 which are attributable to Hurricane Harvey,

4 (B) which arise in the Hurricane Irma dis-  
5 aster area on or after September 4, 2017, and  
6 which are attributable to Hurricane Irma, or

7 (C) which arise in the Hurricane Maria  
8 disaster area on or after September 16, 2017,  
9 and which are attributable to Hurricane Maria.

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

12 (1) IN GENERAL.—In the case of a qualified in-  
13 dividual, if the earned income of the taxpayer for the  
14 taxable year which includes the applicable date is  
15 less than the earned income of the taxpayer for the  
16 preceding taxable year, the credits allowed under  
17 sections 24(d) and 32 of the Internal Revenue Code  
18 of 1986 may, at the election of the taxpayer, be de-  
19 termined by substituting—

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

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

24 In the case of a resident of Puerto Rico determining  
25 the credit allowed under section 24(d)(1)(B)(ii) of

1 such Code, the preceding sentence shall be applied  
2 by substituting “social security taxes (as defined in  
3 section 24(d)(2)(A) of the Internal Revenue Code of  
4 1986)” for “earned income” each place it appears.

5 (2) QUALIFIED INDIVIDUAL.—For purposes of  
6 this subsection—

7 (A) IN GENERAL.—The term “qualified in-  
8 dividual” means any qualified Hurricane Har-  
9 vey individual, any qualified Hurricane Irma in-  
10 dividual, and any qualified Hurricane Maria in-  
11 dividual.

12 (B) QUALIFIED HURRICANE HARVEY INDI-  
13 VIDUAL.—The term “qualified Hurricane Har-  
14 vey individual” means any individual whose  
15 principal place of abode on August 23, 2017,  
16 was located—

17 (i) in the Hurricane Harvey disaster  
18 zone, or

19 (ii) in the Hurricane Harvey disaster  
20 area (but outside the Hurricane Harvey  
21 disaster zone) and such individual was dis-  
22 placed from such principal place of abode  
23 by reason of Hurricane Harvey.

24 (C) QUALIFIED HURRICANE IRMA INDI-  
25 VIDUAL.—The term “qualified Hurricane Irma

1 individual” means any individual (other than a  
2 qualified Hurricane Harvey individual) whose  
3 principal place of abode on September 4, 2017,  
4 was located—

5 (i) in the Hurricane Irma disaster  
6 zone, or

7 (ii) in the Hurricane Irma disaster  
8 area (but outside the Hurricane Irma dis-  
9 aster zone) and such individual was dis-  
10 placed from such principal place of abode  
11 by reason of Hurricane Irma.

12 (D) QUALIFIED HURRICANE MARIA INDI-  
13 VIDUAL.—The term “qualified Hurricane Maria  
14 individual” means any individual (other than a  
15 qualified Hurricane Harvey individual or a  
16 qualified Hurricane Irma individual) whose  
17 principal place of abode on September 16,  
18 2017, was located—

19 (i) in the Hurricane Maria disaster  
20 zone, or

21 (ii) in the Hurricane Maria disaster  
22 area (but outside the Hurricane Maria dis-  
23 aster zone) and such individual was dis-  
24 placed from such principal place of abode  
25 by reason of Hurricane Maria.



1           (3) APPLICABLE DATE.—For purposes of this  
2 subsection, the term “applicable date” means—

3           (A) in the case of a qualified Hurricane  
4 Harvey individual, August 23, 2017,

5           (B) in the case of a qualified Hurricane  
6 Irma individual, September 4, 2017, and

7           (C) in the case of a qualified Hurricane  
8 Maria individual, September 16, 2017.

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

13           (5) SPECIAL RULES.—

14           (A) APPLICATION TO JOINT RETURNS.—  
15 For purposes of paragraph (1), in the case of  
16 a joint return for a taxable year which includes  
17 the applicable date—

18           (i) such paragraph shall apply if ei-  
19 ther spouse is a qualified individual, 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 section 32, of the Internal Revenue Code of  
3 1986.

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

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

15 (d) APPLICATION OF DISASTER-RELATED TAX RE-  
16 LIEF TO POSSESSIONS OF THE UNITED STATES.—

17 (1) PAYMENTS TO UNITED STATES VIRGIN IS-  
18 LANDS AND PUERTO RICO.—

19 (A) UNITED STATES VIRGIN ISLANDS.—  
20 The Secretary of the Treasury shall pay to the  
21 United States Virgin Islands amounts equal to  
22 the loss in revenues to the United States Virgin  
23 Islands by reason of the provisions of this Act.  
24 Such amounts shall be determined by the Sec-  
25 retary of the Treasury based on information

1 provided by the government of the United  
2 States Virgin Islands.

3 (B) PUERTO RICO.—The Secretary of the  
4 Treasury shall pay to Puerto Rico amounts es-  
5 timated by the Secretary of the Treasury as  
6 being equal to the aggregate benefits that would  
7 have been provided to residents of Puerto Rico  
8 by reason of the provisions of this Act if a mir-  
9 ror code tax system had been in effect in Puer-  
10 to Rico. The preceding sentence shall not apply  
11 with respect to Puerto Rico unless Puerto Rico  
12 has a plan, which has been approved by the  
13 Secretary of the Treasury, under which Puerto  
14 Rico will promptly distribute such payments to  
15 its residents.

16 (2) DEFINITION AND SPECIAL RULES.—

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

1           (B) TREATMENT OF PAYMENTS.—For pur-  
2           poses of section 1324 of title 31, United States  
3           Code, the payments under this subsection shall  
4           be treated in the same manner as a refund due  
5           from a credit provision referred to in subsection  
6           (b)(2) of such section.

7           (C) COORDINATION WITH UNITED STATES  
8           INCOME TAXES.—In the case of any person  
9           with respect to whom a tax benefit is taken into  
10          account with respect to the taxes imposed by  
11          any possession of the United States by reason  
12          of this Act, the Internal Revenue Code of 1986  
13          shall be applied with respect to such person  
14          without regard to the provisions of this Act  
15          which provide such benefit.

16 **SEC. 5. BUDGETARY EFFECTS.**

17          (a) EMERGENCY DESIGNATION.—This Act is des-  
18          ignated as an emergency requirement pursuant to section  
19          4(g) of the Statutory Pay-As-You-Go Act of 2010 (2  
20          U.S.C. 933(g)).

21          (b) DESIGNATION IN SENATE.—In the Senate, this  
22          Act is designated as an emergency requirement pursuant  
23          to section 403(a) of S. Con. Res. 13 (111th Congress),  
24          the concurrent resolution on the budget for fiscal year  
25          2010.