To amend the Internal Revenue Code of 1986 to allow seniors a one-time, tax-free retirement plan distribution to pay for essential repairs to a principal residence, for medical expenses, or for expenses attributable to a Federally declared disaster.

IN THE HOUSE OF REPRESENTATIVES
JUNE 24, 2011
Mr. JONES introduced the following bill; which was referred to the Committee on Ways and Means

A BILL
To amend the Internal Revenue Code of 1986 to allow seniors a one-time, tax-free retirement plan distribution to pay for essential repairs to a principal residence, for medical expenses, or for expenses attributable to a Federally declared disaster.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.
This Act may be cited as the “The Seniors Emergency Hardship Relief Act of 2011”.
SEC. 2. ONE-TIME TAX-FREE DISTRIBUTION FROM RETIREMENT ACCOUNT FOR SENIORS FOR PRINCIPAL RESIDENCE EXPENSES, MEDICAL EXPENSES, OR FEDERALLY DECLARED DISASTER EXPENSES.

(a) In General.—Part III of subchapter B of chapter 1 of the Internal Revenue Code is amended by inserting before section 140 the following new section:

"SEC. 139F. ONE-TIME SENIOR DISTRIBUTION.

"(a) In General.—Gross income shall not include a qualified senior distribution.

"(b) Qualified Senior Distribution.—For purposes of this section—

"(1) In General.—The term ‘qualified senior distribution’ means any distribution to an individual from an eligible retirement plan (as defined in section 402(c)(8)(B)) of the individual, if—

"(A) such individual has attained the age of 65 at the time of the distribution,

"(B) such individual elects the application of this section for the taxable year, and

"(C) such distribution does not exceed the lesser of—

"(i) $10,000, or

"(ii) an amount equal to the sum of—
“(I) the amount of expenses paid by the individual during the taxable year for qualified repairs to the principal residence (within the meaning of section 121) of the individual,

“(II) the amount of expenses paid during the taxable year by the individual, not compensated for by insurance or otherwise, for medical care (as defined in section 213(d)) of the individual (and, if married and the spouse of the individual has attained the age of 65 at the time of the distribution, the spouse), plus

“(III) the amount of expenses paid during the taxable year by an individual, not compensated for by insurance or otherwise, as a result of being a victim of a Federally declared disaster (as defined by section 165(h)(3)(C)(i)), but only if such individual’s principal place of abode is located within the area with respect to which such disaster has been declared.
“(2) QUALIFIED REPAIRS.—The term ‘qualified repairs’ means any repairs necessary to preserve the habitability of a residence, including roof repair or replacement, major plumbing or electrical work, foundation repair, and structural rehabilitation.

“(c) ELECTION ALLOWED ONLY FOR 1 TAXABLE YEAR.—An election may not be made under this section for any taxable year if such an election is in effect with respect to the taxpayer for any prior taxable year.”.

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by inserting before the item relating to section 140 the following new section:

“Sec. 139F. Qualified capital distributions.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after the date of the enactment of this Act.