

115TH CONGRESS
1ST SESSION

H. R. 3823

To amend title 49, United States Code, to extend authorizations for the airport improvement program, to amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority of the Airport and Airway Trust Fund, to provide disaster tax relief, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 2017

Mr. BRADY of Texas (for himself, Mr. SHUSTER, and Mr. CURBELO of Florida) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Transportation and Infrastructure, Energy and Commerce, Financial Services, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title 49, United States Code, to extend authorizations for the airport improvement program, to amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority of the Airport and Airway Trust Fund, to provide disaster tax relief, and for other purposes.

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

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
 3 “Disaster Tax Relief and Airport and Airway Extension
 4 Act of 2017”.

5 (b) **TABLE OF CONTENTS.**—The table of contents for
 6 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—FEDERAL AVIATION PROGRAMS

Sec. 101. Extension of airport improvement program.
 Sec. 102. Extension of expiring authorities.
 Sec. 103. Federal Aviation Administration operations.
 Sec. 104. Small community air service.
 Sec. 105. Air navigation facilities and equipment.
 Sec. 106. Research, engineering, and development.
 Sec. 107. Funding for aviation programs.

TITLE II—AVIATION REVENUE PROVISIONS

Sec. 201. Expenditure authority from Airport and Airway Trust Fund.
 Sec. 202. Extension of taxes funding Airport and Airway Trust Fund.

TITLE III—EXPIRING HEALTH PROVISIONS

Sec. 301. Extension of certain public health programs.
 Sec. 302. Extension of Medicare Patient IVIG Access Demonstration Project.
 Sec. 303. Funds from the Medicare Improvement Fund.

**TITLE IV—DEVELOPMENT OF PRIVATE FLOOD INSURANCE
 MARKET**

Sec. 401. Private flood insurance.

**TITLE V—TAX RELIEF FOR HURRICANES HARVEY, IRMA, AND
 MARIA**

Sec. 501. Definitions.
 Sec. 502. Special disaster-related rules for use of retirement funds.
 Sec. 503. Disaster-related employment relief.
 Sec. 504. Additional disaster-related tax relief provisions.
 Sec. 505. Budgetary effects.

1 **TITLE I—FEDERAL AVIATION**
2 **PROGRAMS**

3 **SEC. 101. EXTENSION OF AIRPORT IMPROVEMENT PRO-**
4 **GRAM.**

5 (a) AUTHORIZATION OF APPROPRIATIONS.—

6 (1) IN GENERAL.—Section 48103(a) of title 49,
7 United States Code, is amended by striking the pe-
8 riod at the end and inserting “and \$1,670,410,959
9 for the period beginning on October 1, 2017, and
10 ending on March 31, 2018.”.

11 (2) OBLIGATION OF AMOUNTS.—Subject to lim-
12 itations specified in advance in appropriations Acts,
13 sums made available pursuant to the amendment
14 made by paragraph (1) may be obligated at any time
15 through September 30, 2018, and shall remain avail-
16 able until expended.

17 (3) PROGRAM IMPLEMENTATION.—For pur-
18 poses of calculating funding apportionments and
19 meeting other requirements under sections 47114,
20 47115, 47116, and 47117 of title 49, United States
21 Code, for the period beginning on October 1, 2017,
22 and ending on March 31, 2018, the Administrator of
23 the Federal Aviation Administration shall—

24 (A) first calculate such funding apportion-
25 ments on an annualized basis as if the total

1 amount available under section 48103 of such
2 title for fiscal year 2018 were \$3,350,000,000;
3 and

4 (B) then reduce by 50 percent—

5 (i) all funding apportionments cal-
6 culated under subparagraph (A); and

7 (ii) amounts available pursuant to sec-
8 tions 47117(b) and 47117(f)(2) of such
9 title.

10 (b) PROJECT GRANT AUTHORITY.—Section 47104(c)
11 of title 49, United States Code, is amended in the matter
12 preceding paragraph (1) by striking “September 30,
13 2017,” and inserting “March 31, 2018,”.

14 **SEC. 102. EXTENSION OF EXPIRING AUTHORITIES.**

15 (a) Section 47107(r)(3) of title 49, United States
16 Code, is amended by striking “October 1, 2017” and in-
17 serting “April 1, 2018”.

18 (b) Section 47114(c)(1)(F) of title 49, United States
19 Code, is amended—

20 (1) in the subparagraph heading by striking
21 “FOR FISCAL YEAR 2017”; and

22 (2) in the matter preceding clause (i) by strik-
23 ing “for fiscal year 2017 an amount” and inserting
24 “for each of fiscal years 2017 and 2018 an
25 amount”.

1 (c) Section 47115(j) of title 49, United States Code,
2 is amended by inserting “and for the period beginning on
3 October 1, 2017, and ending on March 31, 2018” after
4 “fiscal years 2012 through 2017”.

5 (d) Section 47124(b)(3)(E) of title 49, United States
6 Code, is amended by inserting “and not more than
7 \$5,160,822 for the period beginning on October 1, 2017,
8 and ending on March 31, 2018,” after “fiscal years 2012
9 through 2017”.

10 (e) Section 47141(f) of title 49, United States Code,
11 is amended by striking “September 30, 2017” and insert-
12 ing “March 31, 2018”.

13 (f) Section 186(d) of the Vision 100—Century of
14 Aviation Reauthorization Act (117 Stat. 2518) is amended
15 by inserting “and for the period beginning on October 1,
16 2017, and ending on March 31, 2018,” after “fiscal years
17 2012 through 2017”.

18 (g) Section 409(d) of the Vision 100—Century of
19 Aviation Reauthorization Act (49 U.S.C. 41731 note) is
20 amended by striking “September 30, 2017” and inserting
21 “March 31, 2018”.

22 (h) Section 140(c)(1) of the FAA Modernization and
23 Reform Act of 2012 (126 Stat. 28) is amended by striking
24 “2017” and inserting “2018”.

1 (i) Section 411(h) of the FAA Modernization and Re-
2 form Act of 2012 (49 U.S.C. 42301 prec. note) is amend-
3 ed by striking “September 30, 2017” and inserting
4 “March 31, 2018”.

5 (j) Section 822(k) of the FAA Modernization and Re-
6 form Act of 2012 (49 U.S.C. 47141 note) is amended by
7 striking “September 30, 2017” and inserting “March 31,
8 2018”.

9 (k) Section 2306(b) of the FAA Extension, Safety,
10 and Security Act of 2016 (130 Stat. 641) is amended by
11 striking “October 1, 2017” and inserting “April 1, 2018”.

12 **SEC. 103. FEDERAL AVIATION ADMINISTRATION OPER-**
13 **ATIONS.**

14 Section 106(k) of title 49, United States Code, is
15 amended—

16 (1) in paragraph (1)—

17 (A) in subparagraph (D) by striking “and”
18 at the end;

19 (B) in subparagraph (E) by striking the
20 period at the end and inserting “; and”; and

21 (C) by inserting after subparagraph (E)
22 the following:

23 “(F) \$4,999,191,956 for the period begin-
24 ning on October 1, 2017, and ending on March
25 31, 2018.”; and

1 (2) in paragraph (3) by inserting “and for the
2 period beginning on October 1, 2017, and ending on
3 March 31, 2018” after “fiscal years 2012 through
4 2017”.

5 **SEC. 104. SMALL COMMUNITY AIR SERVICE.**

6 (a) **ESSENTIAL AIR SERVICE AUTHORIZATION.**—Sec-
7 tion 41742(a)(2) of title 49, United States Code, is
8 amended by striking “and \$175,000,000 for each of fiscal
9 years 2016 and 2017” and inserting “\$175,000,000 for
10 each of fiscal years 2016 and 2017, and \$74,794,521 for
11 the period beginning on October 1, 2017, and ending on
12 March 31, 2018,”.

13 (b) **AIRPORTS NOT RECEIVING SUFFICIENT SERV-**
14 **ICE.**—Section 41743(e)(2) of title 49, United States Code,
15 is amended by inserting “and \$4,986,301 for the period
16 beginning on October 1, 2017, and ending on March 31,
17 2018,” after “fiscal years 2012 through 2017”.

18 **SEC. 105. AIR NAVIGATION FACILITIES AND EQUIPMENT.**

19 Section 48101(a) of title 49, United States Code, is
20 amended by adding at the end the following:

21 “(6) \$1,423,589,041 for the period beginning
22 on October 1, 2017, and ending on March 31,
23 2018.”.

1 **SEC. 106. RESEARCH, ENGINEERING, AND DEVELOPMENT.**

2 Section 48102(a) of title 49, United States Code, is
3 amended—

4 (1) in paragraph (8) by striking “and” at the
5 end;

6 (2) in paragraph (9) by striking the period at
7 the end and inserting “; and”; and

8 (3) by adding at the end the following:

9 “(10) \$88,008,219 for the period beginning on
10 October 1, 2017 and ending on March 31, 2018.”.

11 **SEC. 107. FUNDING FOR AVIATION PROGRAMS.**

12 (a) IN GENERAL.—Section 48114 of title 49, United
13 States Code, is amended—

14 (1) in subsection (a)(2) by striking “2017” and
15 inserting “2018”; and

16 (2) in subsection (e)(2) by striking “2017” and
17 inserting “2018”.

18 (b) COMPLIANCE WITH FUNDING REQUIREMENTS.—

19 The budget authority authorized in this title, including the
20 amendments made by this title, shall be deemed to satisfy
21 the requirements of subsections (a)(1)(B) and (a)(2) of
22 section 48114 of title 49, United States Code, for the pe-
23 riod beginning on October 1, 2017, and ending on March
24 31, 2018.

1 **TITLE II—AVIATION REVENUE**
2 **PROVISIONS**

3 **SEC. 201. EXPENDITURE AUTHORITY FROM AIRPORT AND**
4 **AIRWAY TRUST FUND.**

5 (a) IN GENERAL.—Section 9502(d)(1) of the Inter-
6 nal Revenue Code of 1986 is amended—

7 (1) in the matter preceding subparagraph (A)
8 by striking “October 1, 2017” and inserting “April
9 1, 2018”; and

10 (2) in subparagraph (A) by striking the semi-
11 colon at the end and inserting “or the Disaster Tax
12 Relief and Airport and Airway Extension Act of
13 2017;”.

14 (b) CONFORMING AMENDMENT.—Section 9502(e)(2)
15 of such Code is amended by striking “October 1, 2017”
16 and inserting “April 1, 2018”.

17 **SEC. 202. EXTENSION OF TAXES FUNDING AIRPORT AND**
18 **AIRWAY TRUST FUND.**

19 (a) FUEL TAXES.—Section 4081(d)(2)(B) of the In-
20 ternal Revenue Code of 1986 is amended by striking “Sep-
21 tember 30, 2017” and inserting “March 31, 2018”.

22 (b) TICKET TAXES.—

23 (1) PERSONS.—Section 4261(k)(1)(A)(ii) of
24 such Code is amended by striking “September 30,
25 2017” and inserting “March 31, 2018”.

1 (2) PROPERTY.—Section 4271(d)(1)(A)(ii) of
2 such Code is amended by striking “September 30,
3 2017” and inserting “March 31, 2018”.

4 (c) FRACTIONAL OWNERSHIP PROGRAMS.—

5 (1) TREATMENT AS NONCOMMERCIAL AVIA-
6 TION.—Section 4083(b) of such Code is amended by
7 striking “October 1, 2017” and inserting “April 1,
8 2018”.

9 (2) EXEMPTION FROM TICKET TAXES.—Section
10 4261(j) of such Code is amended by striking “Sep-
11 tember 30, 2017” and inserting “March 31, 2018”.

12 **TITLE III—EXPIRING HEALTH** 13 **PROVISIONS**

14 **SEC. 301. EXTENSION OF CERTAIN PUBLIC HEALTH PRO-** 15 **GRAMS.**

16 (a) EXTENSION OF PROGRAM OF PAYMENTS TO
17 TEACHING HEALTH CENTERS THAT OPERATE GRAD-
18 UATE MEDICAL EDUCATION PROGRAMS.—Section
19 340H(g) of the Public Health Service Act (42 U.S.C.
20 256h(g)) is amended—

21 (1) by striking “and \$60,000,000” and insert-
22 ing “, \$60,000,000”; and

23 (2) by inserting “, and \$15,000,000 for the
24 first quarter of fiscal year 2018” before the period
25 at the end.

1 (b) EXTENSION OF SPECIAL DIABETES PROGRAM
2 FOR INDIANS.—Section 330C(c)(2) of the Public Health
3 Service Act (42 U.S.C. 254c–3(c)(2)) is amended—

4 (1) in subparagraph (B), by striking “and” at
5 the end;

6 (2) in subparagraph (C), by striking the period
7 at the end and inserting “; and”; and

8 (3) by adding at the end the following new sub-
9 paragraph:

10 “(D) \$37,500,000 for the first quarter of
11 fiscal year 2018.”.

12 (c) TECHNICAL CORRECTIONS.—Part D of the Public
13 Health Service Act is amended by redesignating—

14 (1) the second subpart XI (42 U.S.C. 256i; re-
15 lating to a community-based collaborative care net-
16 work program) as subpart XII; and

17 (2) the second section 340H (42 U.S.C. 256i)
18 as section 340I.

19 **SEC. 302. EXTENSION OF MEDICARE PATIENT IVIG ACCESS**
20 **DEMONSTRATION PROJECT.**

21 Section 101(b) of the Medicare IVIG Access and
22 Strengthening Medicare and Repaying Taxpayers Act of
23 2012 (42 U.S.C. 1395l note) is amended—

1 (1) in paragraph (1), by inserting after “for a
2 period of 3 years” the following: “and, subject to the
3 availability of funds under subsection (g)—

4 “(A) if the date of enactment of the Dis-
5 aster Tax Relief and Airport and Airway Exten-
6 sion Act of 2017 is on or before September 30,
7 2017, for the period beginning on October 1,
8 2017, and ending on December 31, 2020; and

9 “(B) if the date of enactment of such Act
10 is after September 30, 2017, for the period be-
11 ginning on the date of enactment of such Act
12 and ending on December 31, 2020”; and

13 (2) in paragraph (2), by adding at the end the
14 following new sentences: “Subject to the preceding
15 sentence, a Medicare beneficiary enrolled in the dem-
16 onstration project on September 30, 2017, shall be
17 automatically enrolled during the period beginning
18 on the date of the enactment of the Disaster Tax
19 Relief and Airport and Airway Extension Act of
20 2017 and ending on December 31, 2020, without
21 submission of another application.”.

22 **SEC. 303. FUNDS FROM THE MEDICARE IMPROVEMENT**
23 **FUND.**

24 Section 1898(b)(1) of the Social Security Act (42
25 U.S.C. 1395iii(b)(1)) is amended by striking “during and

1 after fiscal year 2021, \$270,000,000” and inserting “dur-
2 ing and after fiscal year 2021, \$220,000,000”.

3 **TITLE IV—DEVELOPMENT OF**
4 **PRIVATE FLOOD INSURANCE**
5 **MARKET**

6 **SEC. 401. PRIVATE FLOOD INSURANCE.**

7 (a) FLOOD INSURANCE MANDATORY PURCHASE RE-
8 QUIREMENT.—

9 (1) AMOUNT AND TERM OF COVERAGE.—Sec-
10 tion 102 of the Flood Disaster Protection Act of
11 1973 (42 U.S.C. 4012a) is amended by striking
12 “Sec. 102. (a)” and all that follows through the end
13 of subsection (a) and inserting the following:

14 “SEC. 102. (a) AMOUNT AND TERM OF COVERAGE.—
15 After the expiration of sixty days following the date of the
16 enactment of this Act, no Federal officer or agency shall
17 approve any financial assistance for acquisition or con-
18 struction purposes for use in any area that has been iden-
19 tified by the Administrator as an area having special flood
20 hazards and in which the sale of flood insurance has been
21 made available under the National Flood Insurance Act
22 of 1968, unless the building or mobile home and any per-
23 sonal property to which such financial assistance relates
24 is covered by flood insurance: *Provided*, That the amount
25 of flood insurance (1) in the case of Federal flood insur-

1 ance, is at least equal to the development or project cost
2 of the building, mobile home, or personal property (less
3 estimated land cost), the outstanding principal balance of
4 the loan, or the maximum limit of Federal flood insurance
5 coverage made available with respect to the particular type
6 of property, whichever is less; or (2) in the case of private
7 flood insurance, is at least equal to the development or
8 project cost of the building, mobile home, or personal
9 property (less estimated land cost), the outstanding prin-
10 cipal balance of the loan, or the maximum limit of Federal
11 flood insurance coverage made available with respect to
12 the particular type of property, whichever is less: *Provided*
13 *further*, That if the financial assistance provided is in the
14 form of a loan or an insurance or guaranty of a loan, the
15 amount of flood insurance required need not exceed the
16 outstanding principal balance of the loan and need not be
17 required beyond the term of the loan. The requirement
18 of maintaining flood insurance shall apply during the life
19 of the property, regardless of transfer of ownership of such
20 property.”.

21 (2) REQUIREMENT FOR MORTGAGE LOANS.—

22 Subsection (b) of section 102 of the Flood Disaster
23 Protection Act of 1973 (42 U.S.C. 4012a(b)) is
24 amended—

25 (A) by striking paragraph (7);

1 (B) by redesignating paragraph (6) as
2 paragraph (7);

3 (C) by striking the subsection designation
4 and all that follows through the end of para-
5 graph (5) and inserting the following:

6 “(b) REQUIREMENT FOR MORTGAGE LOANS.—

7 “(1) REGULATED LENDING INSTITUTIONS.—

8 Each Federal entity for lending regulation (after
9 consultation and coordination with the Financial In-
10 stitutions Examination Council established under the
11 Federal Financial Institutions Examination Council
12 Act of 1974) shall by regulation direct regulated
13 lending institutions not to make, increase, extend, or
14 renew any loan secured by improved real estate or
15 a mobile home located or to be located in an area
16 that has been identified by the Administrator as an
17 area having special flood hazards and in which flood
18 insurance has been made available under the Na-
19 tional Flood Insurance Act of 1968, unless the
20 building or mobile home and any personal property
21 securing such loan is covered for the term of the
22 loan by flood insurance: *Provided*, That the amount
23 of flood insurance (A) in the case of Federal flood
24 insurance, is at least equal to the outstanding prin-
25 cipal balance of the loan or the maximum limit of

1 Federal flood insurance coverage made available
2 with respect to the particular type of property,
3 whichever is less; or (B) in the case of private flood
4 insurance, is at least equal to the outstanding prin-
5 cipal balance of the loan or the maximum limit of
6 Federal flood insurance coverage made available
7 with respect to the particular type of property,
8 whichever is less.

9 “(2) FEDERAL AGENCY LENDERS AND MORT-
10 GAGE INSURANCE AND GUARANTEE AGENCIES.—

11 “(A) FEDERAL AGENCY LENDERS.—A

12 Federal agency lender may not make, increase,
13 extend, or renew any loan secured by improved
14 real estate or a mobile home located or to be lo-
15 cated in an area that has been identified by the
16 Administrator as an area having special flood
17 hazards and in which flood insurance has been
18 made available under the National Flood Insur-
19 ance Act of 1968, unless the building or mobile
20 home and any personal property securing such
21 loan is covered for the term of the loan by flood
22 insurance in accordance with paragraph (1).
23 Each Federal agency lender may issue any reg-
24 ulations necessary to carry out this paragraph.
25 Such regulations shall be consistent with and

1 substantially identical to the regulations issued
2 under paragraph (1).

3 “(B) OTHER FEDERAL MORTGAGE ENTI-
4 TIES.—

5 “(i) COVERAGE REQUIREMENTS.—
6 Each covered Federal mortgage entity
7 shall implement procedures reasonably de-
8 signed to ensure that, for any loan that—

9 “(I) is secured by improved real
10 estate or a mobile home located in an
11 area that has been identified, at the
12 time of the origination of the loan or
13 at any time during the term of the
14 loan, by the Administrator as an area
15 having special flood hazards and in
16 which flood insurance is available
17 under the National Flood Insurance
18 Act of 1968, and

19 “(II) is made, insured, held, or
20 guaranteed by such entity, or backs or
21 on which is based any trust certificate
22 or other security for which such entity
23 guarantees the timely payment of
24 principal and interest,

1 the building or mobile home and any per-
2 sonal property securing the loan is covered
3 for the term of the loan by flood insurance
4 in the amount provided in paragraph (1).

5 “(ii) DEFINITION.—For purposes of
6 this subparagraph, the term ‘covered Fed-
7 eral mortgage entity’ means—

8 “(I) the Secretary of Housing
9 and Urban Development, with respect
10 to mortgages insured under the Na-
11 tional Housing Act;

12 “(II) the Secretary of Agri-
13 culture, with respect to loans made,
14 insured, or guaranteed under title V
15 of the Housing Act of 1949; and

16 “(III) the Government National
17 Mortgage Association.

18 “(C) REQUIREMENT TO ACCEPT FLOOD IN-
19 SURANCE.—Each Federal agency lender and
20 each covered Federal mortgage entity shall ac-
21 cept flood insurance as satisfaction of the flood
22 insurance coverage requirement under subpara-
23 graph (A) or (B), respectively, if the flood in-
24 surance coverage meets the requirements for
25 coverage under such subparagraph and the re-

1 requirements relating to financial strength issued
2 pursuant to paragraph (4).

3 “(3) GOVERNMENT-SPONSORED ENTERPRISES
4 FOR HOUSING.—The Federal National Mortgage As-
5 sociation and the Federal Home Loan Mortgage
6 Corporation shall implement procedures reasonably
7 designed to ensure that, for any loan that is—

8 “(A) secured by improved real estate or a
9 mobile home located in an area that has been
10 identified, at the time of the origination of the
11 loan or at any time during the term of the loan,
12 by the Administrator as an area having special
13 flood hazards and in which flood insurance is
14 available under the National Flood Insurance
15 Act of 1968, and

16 “(B) purchased or guaranteed by such en-
17 tity,

18 the building or mobile home and any personal prop-
19 erty securing the loan is covered for the term of the
20 loan by flood insurance in the amount provided in
21 paragraph (1). The Federal National Mortgage As-
22 sociation and the Federal Home Loan Mortgage
23 Corporation shall accept flood insurance as satisfac-
24 tion of the flood insurance coverage requirement
25 under paragraph (1) if the flood insurance coverage

1 provided meets the requirements for coverage under
2 that paragraph and the requirements relating to fi-
3 nancial strength issued pursuant to paragraph (4).

4 “(4) REQUIREMENTS REGARDING FINANCIAL
5 STRENGTH.—The Director of the Federal Housing
6 Finance Agency, in consultation with the Federal
7 National Mortgage Association, the Federal Home
8 Loan Mortgage Corporation, the Secretary of Hous-
9 ing and Urban Development, the Government Na-
10 tional Mortgage Association, and the Secretary of
11 Agriculture shall develop and implement require-
12 ments relating to the financial strength of private
13 insurance companies from which such entities and
14 agencies will accept private flood insurance, provided
15 that such requirements shall not affect or conflict
16 with any State law, regulation, or procedure con-
17 cerning the regulation of the business of insurance.

18 “(5) APPLICABILITY.—

19 “(A) EXISTING COVERAGE.—Except as
20 provided in subparagraph (B), paragraph (1)
21 shall apply on the date of enactment of the Rie-
22 gle Community Development and Regulatory
23 Improvement Act of 1994.

24 “(B) NEW COVERAGE.—Paragraphs (2)
25 and (3) shall apply only with respect to any

1 loan made, increased, extended, or renewed
2 after the expiration of the 1-year period begin-
3 ning on the date of enactment of the Riegle
4 Community Development and Regulatory Im-
5 provement Act of 1994. Paragraph (1) shall
6 apply with respect to any loan made, increased,
7 extended, or renewed by any lender supervised
8 by the Farm Credit Administration only after
9 the expiration of the period under this subpara-
10 graph.

11 “(C) CONTINUED EFFECT OF REGULA-
12 TIONS.—Notwithstanding any other provision of
13 this subsection, the regulations to carry out
14 paragraph (1), as in effect immediately before
15 the date of enactment of the Riegle Community
16 Development and Regulatory Improvement Act
17 of 1994, shall continue to apply until the regu-
18 lations issued to carry out paragraph (1) as
19 amended by section 522(a) of such Act take ef-
20 fect.

21 “(6) RULE OF CONSTRUCTION.—Except as oth-
22 erwise specified, any reference to flood insurance in
23 this section shall be considered to include Federal
24 flood insurance and private flood insurance. Nothing
25 in this subsection shall be construed to supersede or

1 limit the authority of a Federal entity for lending
2 regulation, the Federal Housing Finance Agency, a
3 Federal agency lender, a covered Federal mortgage
4 entity (as such term is defined in paragraph
5 (2)(B)(ii)), the Federal National Mortgage Associa-
6 tion, or the Federal Home Loan Mortgage Corpora-
7 tion to establish requirements relating to the finan-
8 cial strength of private insurance companies from
9 which the entity or agency will accept private flood
10 insurance, provided that such requirements shall not
11 affect or conflict with any State law, regulation, or
12 procedure concerning the regulation of the business
13 of insurance.”; and

14 (D) by adding at the end the following new
15 paragraphs:

16 “(8) DEFINITIONS.—In this section:

17 “(A) FLOOD INSURANCE.—The term ‘flood
18 insurance’ means—

19 “(i) Federal flood insurance; and

20 “(ii) private flood insurance.

21 “(B) FEDERAL FLOOD INSURANCE.—The
22 term ‘Federal flood insurance’ means an insur-
23 ance policy made available under the National
24 Flood Insurance Act of 1968 (42 U.S.C. 4001
25 et seq.).

1 “(C) PRIVATE FLOOD INSURANCE.—The
2 term ‘private flood insurance’ means an insur-
3 ance policy that—

4 “(i) is issued by an insurance com-
5 pany that is—

6 “(I) licensed, admitted, or other-
7 wise approved to engage in the busi-
8 ness of insurance in the State in
9 which the insured building is located,
10 by the insurance regulator of that
11 State; or

12 “(II) eligible as a nonadmitted
13 insurer to provide insurance in the
14 home State of the insured, in accord-
15 ance with sections 521 through 527 of
16 the Dodd-Frank Wall Street Reform
17 and Consumer Protection Act (15
18 U.S.C. 8201 through 8206);

19 “(ii) is issued by an insurance com-
20 pany that is not otherwise disapproved as
21 a surplus lines insurer by the insurance
22 regulator of the State in which the prop-
23 erty to be insured is located; and

1 “(iii) provides flood insurance cov-
2 erage that complies with the laws and reg-
3 ulations of that State.

4 “(D) STATE.—The term ‘State’ means any
5 State of the United States, the District of Co-
6 lumbia, the Commonwealth of Puerto Rico,
7 Guam, the Northern Mariana Islands, the Vir-
8 gin Islands, and American Samoa.”.

9 (b) EFFECT OF PRIVATE FLOOD INSURANCE COV-
10 ERAGE ON CONTINUOUS COVERAGE REQUIREMENTS.—
11 Section 1308 of the National Flood Insurance Act of 1968
12 (42 U.S.C. 4015) is amended by adding at the end the
13 following:

14 “(n) EFFECT OF PRIVATE FLOOD INSURANCE COV-
15 ERAGE ON CONTINUOUS COVERAGE REQUIREMENTS.—
16 For purposes of applying any statutory, regulatory, or ad-
17 ministrative continuous coverage requirement, including
18 under section 1307(g)(1), the Administrator shall consider
19 any period during which a property was continuously cov-
20 ered by private flood insurance (as defined in section
21 102(b)(8) of the Flood Disaster Protection Act of 1973
22 (42 U.S.C. 4012a(b)(8))) to be a period of continuous cov-
23 erage.”.

1 **TITLE V—TAX RELIEF FOR HUR-**
2 **RICANES HARVEY, IRMA, AND**
3 **MARIA**

4 **SEC. 501. DEFINITIONS.**

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

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

15 (2) HURRICANE HARVEY DISASTER AREA.—The
16 term “Hurricane Harvey disaster area” means an
17 area with respect to which a major disaster has been
18 declared by the President before September 21,
19 2017, under section 401 of such Act by reason of
20 Hurricane Harvey.

21 (b) HURRICANE IRMA DISASTER ZONE AND DIS-
22 ASTER AREA.—For purposes of this title—

23 (1) HURRICANE IRMA DISASTER ZONE.—The
24 term “Hurricane Irma disaster zone” means that
25 portion of the Hurricane Irma disaster area deter-

1 mined by the President to warrant individual or in-
2 dividual and public assistance from the Federal Gov-
3 ernment under such Act by reason of Hurricane
4 Irma.

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

11 (c) HURRICANE MARIA DISASTER ZONE AND DIS-
12 ASTER AREA.—For purposes of this title—

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

20 (2) HURRICANE MARIA DISASTER AREA.—The
21 term “Hurricane Maria disaster area” means an
22 area with respect to which a major disaster has been
23 declared by the President before September 21,
24 2017, under section 401 of such Act by reason of
25 Hurricane Maria.

1 **SEC. 502. SPECIAL DISASTER-RELATED RULES FOR USE OF**
2 **RETIREMENT FUNDS.**

3 (a) **TAX-FAVORED WITHDRAWALS FROM RETIRE-**
4 **MENT PLANS.—**

5 (1) **IN GENERAL.—**Section 72(t) of the Internal
6 Revenue Code of 1986 shall not apply to any quali-
7 fied hurricane distribution.

8 (2) **AGGREGATE DOLLAR LIMITATION.—**

9 (A) **IN GENERAL.—**For purposes of this
10 subsection, the aggregate amount of distribu-
11 tions received by an individual which may be
12 treated as qualified hurricane distributions for
13 any taxable year shall not exceed the excess (if
14 any) of—

15 (i) \$100,000, over

16 (ii) the aggregate amounts treated as
17 qualified hurricane distributions received
18 by such individual for all prior taxable
19 years.

20 (B) **TREATMENT OF PLAN DISTRIBUTI-**
21 **ONS.—**If a distribution to an individual would
22 (without regard to subparagraph (A)) be a
23 qualified hurricane distribution, a plan shall not
24 be treated as violating any requirement of the
25 Internal Revenue Code of 1986 merely because
26 the plan treats such distribution as a qualified

1 hurricane distribution, unless the aggregate
2 amount of such distributions from all plans
3 maintained by the employer (and any member
4 of any controlled group which includes the em-
5 ployer) to such individual exceeds \$100,000.

6 (C) CONTROLLED GROUP.—For purposes
7 of subparagraph (B), the term “controlled
8 group” means any group treated as a single
9 employer under subsection (b), (c), (m), or (o)
10 of section 414 of the Internal Revenue Code of
11 1986.

12 (3) AMOUNT DISTRIBUTED MAY BE REPAYED.—

13 (A) IN GENERAL.—Any individual who re-
14 ceives a qualified hurricane distribution may, at
15 any time during the 3-year period beginning on
16 the day after the date on which such distribu-
17 tion was received, make one or more contribu-
18 tions in an aggregate amount not to exceed the
19 amount of such distribution to an eligible retire-
20 ment plan of which such individual is a bene-
21 ficiary and to which a rollover contribution of
22 such distribution could be made under section
23 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or
24 457(e)(16), of the Internal Revenue Code of
25 1986, as the case may be.

1 (B) TREATMENT OF REPAYMENTS OF DIS-
2 TRIBUTIONS FROM ELIGIBLE RETIREMENT
3 PLANS OTHER THAN IRAS.—For purposes of
4 the Internal Revenue Code of 1986, if a con-
5 tribution is made pursuant to subparagraph (A)
6 with respect to a qualified hurricane distribu-
7 tion from an eligible retirement plan other than
8 an individual retirement plan, then the taxpayer
9 shall, to the extent of the amount of the con-
10 tribution, be treated as having received the
11 qualified hurricane distribution in an eligible
12 rollover distribution (as defined in section
13 402(c)(4) of such Code) and as having trans-
14 ferred the amount to the eligible retirement
15 plan in a direct trustee to trustee transfer with-
16 in 60 days of the distribution.

17 (C) TREATMENT OF REPAYMENTS FOR
18 DISTRIBUTIONS FROM IRAS.—For purposes of
19 the Internal Revenue Code of 1986, if a con-
20 tribution is made pursuant to subparagraph (A)
21 with respect to a qualified hurricane distribu-
22 tion from an individual retirement plan (as de-
23 fined by section 7701(a)(37) of such Code),
24 then, to the extent of the amount of the con-
25 tribution, the qualified hurricane distribution

1 shall be treated as a distribution described in
2 section 408(d)(3) of such Code and as having
3 been transferred to the eligible retirement plan
4 in a direct trustee to trustee transfer within 60
5 days of the distribution.

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

8 (A) QUALIFIED HURRICANE DISTRIBUTION.—Except as provided in paragraph (2),
9 the term “qualified hurricane distribution”
10 means—
11

12 (i) any distribution from an eligible
13 retirement plan made on or after August
14 23, 2017, and before January 1, 2019, to
15 an individual whose principal place of
16 abode on August 23, 2017, is located in
17 the Hurricane Harvey disaster area and
18 who has sustained an economic loss by rea-
19 son of Hurricane Harvey,

20 (ii) any distribution (which is not de-
21 scribed in clause (i)) from an eligible re-
22 tirement plan made on or after September
23 4, 2017, and before January 1, 2019, to
24 an individual whose principal place of
25 abode on September 4, 2017, is located in

1 the Hurricane Irma disaster area and who
2 has sustained an economic loss by reason
3 of Hurricane Irma, and

4 (iii) any distribution (which is not de-
5 scribed in clause (i) or (ii)) from an eligi-
6 ble retirement plan made on or after Sep-
7 tember 16, 2017, and before January 1,
8 2019, to an individual whose principal
9 place of abode on September 16, 2017, is
10 located in the Hurricane Maria disaster
11 area and who has sustained an economic
12 loss by reason of Hurricane Maria.

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

18 (5) INCOME INCLUSION SPREAD OVER 3-YEAR
19 PERIOD.—

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

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

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

7 (6) SPECIAL RULES.—

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

15 (B) QUALIFIED HURRICANE DISTRIBUTIONS
16 TREATED AS MEETING PLAN DISTRIBUTION
17 REQUIREMENTS.—For purposes the Inter-
18 nal Revenue Code of 1986, a qualified hurri-
19 cane distribution shall be treated as meeting
20 the requirements of sections 401(k)(2)(B)(i),
21 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A)
22 of such Code.

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

25 (1) RECONTRIBUTIONS.—

1 (A) IN GENERAL.—Any individual who re-
2 ceived a qualified distribution may, during the
3 period beginning on August 23, 2017, and end-
4 ing on February 28, 2018, make one or more
5 contributions in an aggregate amount not to ex-
6 ceed the amount of such qualified distribution
7 to an eligible retirement plan (as defined in sec-
8 tion 402(e)(8)(B) of the Internal Revenue Code
9 of 1986) 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), or 408(d)(3), of
13 such Code, as the case may be.

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

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

21 (A) described in section
22 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but only
23 to the extent such distribution relates to finan-
24 cial hardship), 403(b)(11)(B), or 72(t)(2)(F),
25 of the Internal Revenue Code of 1986,

1 (B) received after February 28, 2017, and
2 before September 21, 2017, and

3 (C) which was to be used to purchase or
4 construct a principal residence in the Hurricane
5 Harvey disaster area, the Hurricane Irma dis-
6 aster area, or the Hurricane Maria disaster
7 area, but which was not so purchased or con-
8 structed on account of Hurricane Harvey, Hur-
9 ricane Irma, or Hurricane Maria.

10 (c) LOANS FROM QUALIFIED PLANS.—

11 (1) INCREASE IN LIMIT ON LOANS NOT TREAT-
12 ED AS DISTRIBUTIONS.—In the case of any loan
13 from a qualified employer plan (as defined under
14 section 72(p)(4) of the Internal Revenue Code of
15 1986) to a qualified individual made during the pe-
16 riod beginning on the date of the enactment of this
17 Act and ending on December 31, 2018—

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

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

1 value of the nonforfeitable accrued benefit of
2 the employee under the plan”.

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

8 (A) if the due date pursuant to subpara-
9 graph (B) or (C) of section 72(p)(2) of such
10 Code for any repayment with respect to such
11 loan occurs during the period beginning on the
12 qualified beginning date and ending on Decem-
13 ber 31, 2018, such due date shall be delayed for
14 1 year,

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

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

1 (3) QUALIFIED INDIVIDUAL.—For purposes of
2 this subsection—

3 (A) IN GENERAL.—The term “qualified in-
4 dividual” means any qualified Hurricane Har-
5 vey individual, any qualified Hurricane Irma in-
6 dividual, and any qualified Hurricane Maria in-
7 dividual.

8 (B) QUALIFIED HURRICANE HARVEY INDI-
9 VIDUAL.—The term “qualified Hurricane Har-
10 vey individual” means an individual whose prin-
11 cipal place of abode on August 23, 2017, is lo-
12 cated in the Hurricane Harvey disaster area
13 and who has sustained an economic loss by rea-
14 son of Hurricane Harvey.

15 (C) QUALIFIED HURRICANE IRMA INDI-
16 VIDUAL.—The term “qualified Hurricane Irma
17 individual” means an individual (other than a
18 qualified Hurricane Harvey individual) whose
19 principal place of abode on September 4, 2017,
20 is located in the Hurricane Irma disaster area
21 and who has sustained an economic loss by rea-
22 son of Hurricane Irma.

23 (D) QUALIFIED HURRICANE MARIA INDI-
24 VIDUAL.—The term “qualified Hurricane Maria
25 individual” means an individual (other than a

1 qualified Hurricane Harvey individual or a
2 qualified Hurricane Irma individual) whose
3 principal place of abode on September 16,
4 2017, is located in the Hurricane Maria dis-
5 aster area and who has sustained an economic
6 loss by reason of Hurricane Maria.

7 (4) QUALIFIED BEGINNING DATE.—For pur-
8 poses of this subsection, the qualified beginning date
9 is—

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

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

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

16 (d) PROVISIONS RELATING TO PLAN AMEND-
17 MENTS.—

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

23 (2) AMENDMENTS TO WHICH SUBSECTION AP-
24 PLIES.—

1 (A) IN GENERAL.—This subsection shall
2 apply to any amendment to any plan or annuity
3 contract which is made—

4 (i) pursuant to any provision of this
5 section, or pursuant to any regulation
6 issued by the Secretary or the Secretary of
7 Labor under any provision of this section,
8 and

9 (ii) on or before the last day of the
10 first plan year beginning on or after Janu-
11 ary 1, 2019, or such later date as the Sec-
12 retary may prescribe.

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

18 (B) CONDITIONS.—This subsection shall
19 not apply to any amendment unless—

20 (i) during the period—

21 (I) beginning on the date that
22 this section or the regulation de-
23 scribed in subparagraph (A)(i) takes
24 effect (or in the case of a plan or con-
25 tract amendment not required by this

1 section or such regulation, the effective date specified by the plan), and
2
3 (II) ending on the date described
4 in subparagraph (A)(ii) (or, if earlier,
5 the date the plan or contract amendment is adopted),
6
7 the plan or contract is operated as if such plan
8 or contract amendment were in effect, and
9 (ii) such plan or contract amendment
10 applies retroactively for such period.

11 **SEC. 503. DISASTER-RELATED EMPLOYMENT RELIEF.**

12 (a) **EMPLOYEE RETENTION CREDIT FOR EMPLOYERS**
13 **AFFECTED BY HURRICANE HARVEY.—**

14 (1) **IN GENERAL.—**For purposes of section 38
15 of the Internal Revenue Code of 1986, in the case
16 of an eligible employer, the Hurricane Harvey employee retention credit shall be treated as a credit
17 listed in subsection (b) of such section. For purposes
18 of this subsection, the Hurricane Harvey employee retention credit for any taxable year is an amount
19 equal to 40 percent of the qualified wages with respect to each eligible employee of such employer for
20 such taxable year. For purposes of the preceding
21 sentence, the amount of qualified wages which may
22
23
24

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

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

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

7 (i) which conducted an active trade or
8 business on August 23, 2017, in the Hur-
9 ricane Harvey disaster zone, and

10 (ii) with respect to whom the trade or
11 business described in clause (i) is inoper-
12 able on any day after August 23, 2017,
13 and before January 1, 2018, as a result of
14 damage sustained by reason of Hurricane
15 Harvey.

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

22 (C) QUALIFIED WAGES.—The term “quali-
23 fied wages” means wages (as defined in section
24 51(c)(1) of the Internal Revenue Code of 1986,
25 but without regard to section 3306(b)(2)(B) of

1 such Code) paid or incurred by an eligible em-
2 ployer with respect to an eligible employee on
3 any day after August 23, 2017, and before Jan-
4 uary 1, 2018, which occurs during the period—

5 (i) beginning on the date on which the
6 trade or business described in subpara-
7 graph (A) first became inoperable at the
8 principal place of employment of the em-
9 ployee immediately before Hurricane Har-
10 vey, and

11 (ii) ending on the date on which such
12 trade or business has resumed significant
13 operations at such principal place of em-
14 ployment.

15 Such term shall include wages paid without re-
16 gard to whether the employee performs no serv-
17 ices, performs services at a different place of
18 employment than such principal place of em-
19 ployment, or performs services at such principal
20 place of employment before significant oper-
21 ations have resumed.

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

1 (4) EMPLOYEE NOT TAKEN INTO ACCOUNT
2 MORE THAN ONCE.—An employee shall not be treat-
3 ed as an eligible employee for purposes of this sub-
4 section for any period with respect to any employer
5 if such employer is allowed a credit under section 51
6 of the Internal Revenue Code of 1986 with respect
7 to such employee for such period.

8 (b) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS
9 AFFECTED BY HURRICANE IRMA.—

10 (1) IN GENERAL.—For purposes of section 38
11 of the Internal Revenue Code of 1986, in the case
12 of an eligible employer, the Hurricane Irma em-
13 ployee retention credit shall be treated as a credit
14 listed in subsection (b) of such section. For purposes
15 of this subsection, the Hurricane Irma employee re-
16 tention credit for any taxable year is an amount
17 equal to 40 percent of the qualified wages with re-
18 spect to each eligible employee of such employer for
19 such taxable year. For purposes of the preceding
20 sentence, the amount of qualified wages which may
21 be taken into account with respect to any individual
22 shall not exceed \$6,000.

23 (2) DEFINITIONS.—For purposes of this sub-
24 section—

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

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

6 (ii) with respect to whom the trade or
7 business described in clause (i) is inoper-
8 able on any day after September 4, 2017,
9 and before January 1, 2018, as a result of
10 damage sustained by reason of Hurricane
11 Irma.

12 (B) ELIGIBLE EMPLOYEE.—The term “eli-
13 gible employee” means with respect to an eligi-
14 ble employer an employee whose principal place
15 of employment on September 4, 2017, with
16 such eligible employer was in the Hurricane
17 Irma disaster zone.

18 (C) QUALIFIED WAGES.—The term “quali-
19 fied wages” means wages (as defined in section
20 51(c)(1) of the Internal Revenue Code of 1986,
21 but without regard to section 3306(b)(2)(B) of
22 such Code) paid or incurred by an eligible em-
23 ployer with respect to an eligible employee on
24 any day after September 4, 2017, and before

1 January 1, 2018, which occurs during the pe-
2 riod—

3 (i) beginning on the date on which the
4 trade or business described in subpara-
5 graph (A) first became inoperable at the
6 principal place of employment of the em-
7 ployee immediately before Hurricane Irma,
8 and

9 (ii) ending on the date on which such
10 trade or business has resumed significant
11 operations at such principal place of em-
12 ployment.

13 Such term shall include wages paid without re-
14 gard to whether the employee performs no serv-
15 ices, performs services at a different place of
16 employment than such principal place of em-
17 ployment, or performs services at such principal
18 place of employment before significant oper-
19 ations have resumed.

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

24 (4) EMPLOYEE NOT TAKEN INTO ACCOUNT
25 MORE THAN ONCE.—An employee shall not be treat-

1 ed as an eligible employee for purposes of this sub-
2 section for any period with respect to any employer
3 if such employer is allowed a credit under subsection
4 (a), or section 51 of the Internal Revenue Code of
5 1986, with respect to such employee for such period.

6 (c) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS
7 AFFECTED BY HURRICANE MARIA.—

8 (1) IN GENERAL.—For purposes of section 38
9 of the Internal Revenue Code of 1986, in the case
10 of an eligible employer, the Hurricane Maria em-
11 ployee retention credit shall be treated as a credit
12 listed in subsection (b) of such section. For purposes
13 of this subsection, the Hurricane Maria employee re-
14 tention credit for any taxable year is an amount
15 equal to 40 percent of the qualified wages with re-
16 spect to each eligible employee of such employer for
17 such taxable year. For purposes of the preceding
18 sentence, the amount of qualified wages which may
19 be taken into account with respect to any individual
20 shall not exceed \$6,000.

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

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

1 (i) which conducted an active trade or
2 business on September 16, 2017, in the
3 Hurricane Maria disaster zone, and

4 (ii) with respect to whom the trade or
5 business described in clause (i) is inoper-
6 able on any day after September 16, 2017,
7 and before January 1, 2018, as a result of
8 damage sustained by reason of Hurricane
9 Maria.

10 (B) ELIGIBLE EMPLOYEE.—The term “eli-
11 gible employee” means with respect to an eligi-
12 ble employer an employee whose principal place
13 of employment on September 16, 2017, with
14 such eligible employer was in the Hurricane
15 Maria disaster zone.

16 (C) QUALIFIED WAGES.—The term “quali-
17 fied wages” means wages (as defined in section
18 51(c)(1) of the Internal Revenue Code of 1986,
19 but without regard to section 3306(b)(2)(B) of
20 such Code) paid or incurred by an eligible em-
21 ployer with respect to an eligible employee on
22 any day after September 16, 2017, and before
23 January 1, 2018, which occurs during the pe-
24 riod—

1 (i) beginning on the date on which the
2 trade or business described in subpara-
3 graph (A) first became inoperable at the
4 principal place of employment of the em-
5 ployee immediately before Hurricane
6 Maria, and

7 (ii) ending on the date on which such
8 trade or business has resumed significant
9 operations at such principal place of em-
10 ployment.

11 Such term shall include wages paid without re-
12 gard to whether the employee performs no serv-
13 ices, performs services at a different place of
14 employment than such principal place of em-
15 ployment, or performs services at such principal
16 place of employment before significant oper-
17 ations have resumed.

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

22 (4) EMPLOYEE NOT TAKEN INTO ACCOUNT
23 MORE THAN ONCE.—An employee shall not be treat-
24 ed as an eligible employee for purposes of this sub-
25 section for any period with respect to any employer

1 if such employer is allowed a credit under subsection
2 (a) or (b), or section 51 of the Internal Revenue
3 Code of 1986, with respect to such employee for
4 such period.

5 **SEC. 504. ADDITIONAL DISASTER-RELATED TAX RELIEF**
6 **PROVISIONS.**

7 (a) TEMPORARY SUSPENSION OF LIMITATIONS ON
8 CHARITABLE CONTRIBUTIONS.—

9 (1) IN GENERAL.—Except as otherwise pro-
10 vided in paragraph (2), subsection (b) of section 170
11 of the Internal Revenue Code of 1986 shall not
12 apply to qualified contributions and such contribu-
13 tions shall not be taken into account for purposes of
14 applying subsections (b) and (d) of such section to
15 other contributions.

16 (2) TREATMENT OF EXCESS CONTRIBUTIONS.—
17 For purposes of section 170 of the Internal Revenue
18 Code of 1986—

19 (A) INDIVIDUALS.—In the case of an indi-
20 vidual—

21 (i) LIMITATION.—Any qualified con-
22 tribution shall be allowed only to the ex-
23 tent that the aggregate of such contribu-
24 tions does not exceed the excess of the tax-
25 payer's contribution base (as defined in

1 subparagraph (G) of section 170(b)(1) of
2 such Code) over the amount of all other
3 charitable contributions allowed under sec-
4 tion 170(b)(1) of such Code.

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

14 (B) CORPORATIONS.—In the case of a cor-
15 poration—

16 (i) LIMITATION.—Any qualified con-
17 tribution shall be allowed only to the ex-
18 tent that the aggregate of such contribu-
19 tions does not exceed the excess of the tax-
20 payer's taxable income (as determined
21 under paragraph (2) of section 170(b) of
22 such Code) over the amount of all other
23 charitable contributions allowed under such
24 paragraph.

1 (ii) CARRYOVER.—Rules similar to the
2 rules of subparagraph (A)(ii) shall apply
3 for purposes of this subparagraph.

4 (3) EXCEPTION TO OVERALL LIMITATION ON
5 ITEMIZED DEDUCTIONS.—So much of any deduction
6 allowed under section 170 of the Internal Revenue
7 Code of 1986 as does not exceed the qualified con-
8 tributions paid during the taxable year shall not be
9 treated as an itemized deduction for purposes of sec-
10 tion 68 of such Code.

11 (4) QUALIFIED CONTRIBUTIONS.—

12 (A) IN GENERAL.—For purposes of this
13 subsection, the term “qualified contribution”
14 means any charitable contribution (as defined
15 in section 170(c) of the Internal Revenue Code
16 of 1986) if—

17 (i) such contribution—

18 (I) is paid during the period be-
19 ginning on August 23, 2017, and end-
20 ing on December 31, 2017, in cash to
21 an organization described in section
22 170(b)(1)(A) of such Code, and

23 (II) is made for relief efforts in
24 the Hurricane Harvey disaster area,

1 the Hurricane Irma disaster area, or
2 the Hurricane Maria disaster area,

3 (ii) the taxpayer obtains from such or-
4 ganization contemporaneous written ac-
5 knowledgment (within the meaning of sec-
6 tion 170(f)(8) of such Code) that such con-
7 tribution was used (or is to be used) for
8 relief efforts described in clause (i)(II),
9 and

10 (iii) the taxpayer has elected the ap-
11 plication of this subsection with respect to
12 such contribution.

13 (B) EXCEPTION.—Such term shall not in-
14 clude a contribution by a donor if the contribu-
15 tion is—

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

19 (ii) for the establishment of a new, or
20 maintenance of an existing, donor advised
21 fund (as defined in section 4966(d)(2) of
22 such Code).

23 (C) APPLICATION OF ELECTION TO PART-
24 NERSHIPS AND S CORPORATIONS.—In the case
25 of a partnership or S corporation, the election

1 under subparagraph (A)(iii) shall be made sepa-
2 rately by each partner or shareholder.

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

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

7 (A) the amount determined under section
8 165(h)(2)(A)(ii) of the Internal Revenue Code
9 of 1986 shall be equal to the sum of—

10 (i) such net disaster loss, and

11 (ii) so much of the excess referred to
12 in the matter preceding clause (i) of sec-
13 tion 165(h)(2)(A) of such Code (reduced
14 by the amount in clause (i) of this sub-
15 paragraph) as exceeds 10 percent of the
16 adjusted gross income of the individual,

17 (B) section 165(h)(1) of such Code shall
18 be applied by substituting “\$500” for “\$500
19 (\$100 for taxable years beginning after Decem-
20 ber 31, 2009)”,

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

24 (D) section 56(b)(1)(E) of such Code shall
25 not apply to so much of the standard deduction

1 as is attributable to the increase under sub-
2 paragraph (C) of this paragraph.

3 (2) NET DISASTER LOSS.—For purposes of this
4 subsection, the term “net disaster loss” means the
5 excess of qualified disaster-related personal casualty
6 losses over personal casualty gains (as defined in
7 section 165(h)(3)(A) of the Internal Revenue Code
8 of 1986).

9 (3) QUALIFIED DISASTER-RELATED PERSONAL
10 CASUALTY LOSSES.—For purposes of this sub-
11 section, the term “qualified disaster-related personal
12 casualty losses” means losses described in section
13 165(c)(3) of the Internal Revenue Code of 1986—

14 (A) which arise in the Hurricane Harvey
15 disaster area on or after August 23, 2017, and
16 which are attributable to Hurricane Harvey,

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

20 (C) which arise in the Hurricane Maria
21 disaster area on or after September 16, 2017,
22 and which are attributable to Hurricane Maria.

23 (c) SPECIAL RULE FOR DETERMINING EARNED IN-
24 COME.—

1 (1) IN GENERAL.—In the case of a qualified in-
2 dividual, if the earned income of the taxpayer for the
3 taxable year which includes the applicable date is
4 less than the earned income of the taxpayer for the
5 preceding taxable year, the credits allowed under
6 sections 24(d) and 32 of the Internal Revenue Code
7 of 1986 may, at the election of the taxpayer, be de-
8 termined by substituting—

9 (A) such earned income for the preceding
10 taxable year, for

11 (B) such earned income for the taxable
12 year which includes the applicable date.

13 In the case of a resident of Puerto Rico determining
14 the credit allowed under section 24(d)(1)(B)(ii) of
15 such Code, the preceding sentence shall be applied
16 by substituting “social security taxes (as defined in
17 section 24(d)(2)(A) of the Internal Revenue Code of
18 1986)” for “earned income” each place it appears.

19 (2) QUALIFIED INDIVIDUAL.—For purposes of
20 this subsection—

21 (A) IN GENERAL.—The term “qualified in-
22 dividual” means any qualified Hurricane Har-
23 vey individual, any qualified Hurricane Irma in-
24 dividual, and any qualified Hurricane Maria in-
25 dividual.

1 (B) QUALIFIED HURRICANE HARVEY INDI-
2 VIDUAL.—The term “qualified Hurricane Har-
3 vey individual” means any individual whose
4 principal place of abode on August 23, 2017,
5 was located—

6 (i) in the Hurricane Harvey disaster
7 zone, or

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

13 (C) QUALIFIED HURRICANE IRMA INDI-
14 VIDUAL.—The term “qualified Hurricane Irma
15 individual” means any individual (other than a
16 qualified Hurricane Harvey individual) whose
17 principal place of abode on September 4, 2017,
18 was located—

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

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

1 (D) QUALIFIED HURRICANE MARIA INDI-
2 VIDUAL.—The term “qualified Hurricane Maria
3 individual” means any individual (other than a
4 qualified Hurricane Harvey individual or a
5 qualified Hurricane Irma individual) whose
6 principal place of abode on September 16,
7 2017, was located—

8 (i) in the Hurricane Maria disaster
9 zone, or

10 (ii) in the Hurricane Maria disaster
11 area (but outside the Hurricane Maria dis-
12 aster zone) and such individual was dis-
13 placed from such principal place of abode
14 by reason of Hurricane Maria.

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

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

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

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

23 (4) EARNED INCOME.—For purposes of this
24 subsection, the term “earned income” has the mean-

1 ing given such term under section 32(c) of the Inter-
2 nal Revenue Code of 1986.

3 (5) SPECIAL RULES.—

4 (A) APPLICATION TO JOINT RETURNS.—

5 For purposes of paragraph (1), in the case of
6 a joint return for a taxable year which includes
7 the applicable date—

8 (i) such paragraph shall apply if ei-
9 ther spouse is a qualified individual, and

10 (ii) the earned income of the taxpayer
11 for the preceding taxable year shall be the
12 sum of the earned income of each spouse
13 for such preceding taxable year.

14 (B) UNIFORM APPLICATION OF ELEC-
15 TION.—Any election made under paragraph (1)
16 shall apply with respect to both sections 24(d)
17 and 32, of the Internal Revenue Code of 1986.

18 (C) ERRORS TREATED AS MATHEMATICAL
19 ERROR.—For purposes of section 6213 of the
20 Internal Revenue Code of 1986, an incorrect
21 use on a return of earned income pursuant to
22 paragraph (1) shall be treated as a mathe-
23 matical or clerical error.

24 (D) NO EFFECT ON DETERMINATION OF
25 GROSS INCOME, ETC.—Except as otherwise pro-

1 vided in this subsection, the Internal Revenue
2 Code of 1986 shall be applied without regard to
3 any substitution under paragraph (1).

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

6 (1) PAYMENTS TO POSSESSIONS.—The Sec-
7 retary of the Treasury shall pay to each possession
8 of the United States with a mirror code tax system
9 amounts equal to the loss in revenues to that posses-
10 sion by reason of subsection (c). Such amounts shall
11 be determined by the Secretary of the Treasury
12 based on information provided by the government of
13 the respective possession.

14 (2) DEFINITION AND SPECIAL RULES.—

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

24 (B) TREATMENT OF PAYMENTS.—For pur-
25 poses of section 1324 of title 31, United States

1 Code, the payments under this subsection shall
2 be treated in the same manner as a refund due
3 from a credit provision referred to in subsection
4 (b)(2) of such section.

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

14 **SEC. 505. BUDGETARY EFFECTS.**

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

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

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