

PROVIDING FOR CONSIDERATION OF THE SENATE AMENDMENT TO THE BILL (H.R. 1370) TO AMEND THE HOMELAND SECURITY ACT OF 2002 TO REQUIRE THE SECRETARY OF HOMELAND SECURITY TO ISSUE DEPARTMENT OF HOMELAND SECURITY-WIDE GUIDANCE AND DEVELOP TRAINING PROGRAMS AS PART OF THE DEPARTMENT OF HOMELAND SECURITY BLUE CAMPAIGN, AND FOR OTHER PURPOSES; PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 4667) MAKING FURTHER SUPPLEMENTAL APPROPRIATIONS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2018, FOR DISASTER ASSISTANCE FOR HURRICANES HARVEY, IRMA, AND MARIA, AND CALENDAR YEAR 2017 WILDFIRES, AND FOR OTHER PURPOSES; AND PROVIDING FOR PROCEEDINGS DURING THE PERIOD FROM DECEMBER 22, 2017, THROUGH JANUARY 7, 2018

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DECEMBER 21, 2017.—Referred to the House Calendar and ordered to be printed

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Mr. WOODALL, from the Committee on Rules,  
submitted the following

## R E P O R T

[To accompany H. Res. 670]

The Committee on Rules, having had under consideration House Resolution 670, by a record vote of 8 to 4, report the same to the House with the recommendation that the resolution be adopted.

### SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of the Senate amendment to H.R. 1370, the Department of Homeland Security Blue Campaign Authorization Act of 2017. The resolution makes in order a motion offered by the chair of the Committee on Appropriations or his designee that the House concur in the Senate amendment with an amendment consisting of the text of Rules Committee Print 115-52. The resolution waives all points of order against consideration of the motion. The resolution provides that the Senate amendment and the motion shall be considered as read. The resolution provides one hour of debate on the motion equally divided and controlled by the chair and ranking minority member of the Committee on Appropriations.

Section 2 of the resolution provides for consideration of H.R. 4667, making further supplemental appropriations for the fiscal year ending September 30, 2018, for disaster assistance for Hurricanes Harvey, Irma, and Maria, and calendar year 2017 wildfires, and for other purposes, under a closed rule. The resolution provides one hour of debate equally divided and controlled by the chair and ranking minority member of the Committee on Appropriations. The

resolution waives all points of order against consideration of the bill and provides that it shall be considered as read. The resolution provides that the amendments printed in the Rules Committee report shall be considered as adopted and the bill, as amended, shall be considered as read. The resolution waives all points of order against provisions in the bill, as amended. The resolution provides that clause 2(e) of rule XXI shall not apply during consideration of the bill. The resolution provides one motion to recommit with or without instructions.

Section 3 of the resolution provides that on any legislative day of the first session of the 115th Congress after December 21, 2017: the Journal of the proceedings of the previous day shall be considered as approved; and the Chair may at any time declare the House adjourned to meet at a date and time to be announced by the Chair in declaring the adjournment.

Section 4 of the resolution provides that on any legislative day of the second session of the 115th Congress before January 8, 2018: the Speaker may dispense with organizational and legislative business; the Journal of the proceedings of the previous day shall be considered as approved if applicable; and the Chair may at any time declare the House adjourned to meet at a date and time to be announced by the Chair in declaring the adjournment.

Section 5 of the resolution provides that the Speaker may appoint Members to perform the duties of the Chair for the duration of the period addressed by sections 3 and 4.

Section 6 of the resolution provides that each day during the period addressed by sections 3 and 4 of the resolution shall not constitute calendar days for the purposes of section 7 of the War Powers Resolution (50 U.S.C. 1546).

Section 7 of the resolution provides that each day during the period addressed by sections 3 and 4 of the resolution shall not constitute a legislative day for the purposes of clause 7 of rule XIII (resolutions of inquiry).

#### EXPLANATION OF WAIVERS

The waiver of all points of order against consideration of the motion includes a waiver of the following:

- Clause 7 of rule XVI, which requires that no motion or proposition on a subject different from that under consideration shall be admitted under color of amendment;
- Clause 4 of rule XXI, which prohibits reporting a bill or joint resolution carrying an appropriation from a committee not having jurisdiction to report an appropriation;
- Clause 10 of rule XXI, which prohibits the consideration of a bill if it has the net effect of increasing mandatory spending over the five-year or ten-year period;
- Section 302(f) of the Congressional Budget Act, which prohibits consideration of legislation providing new budget authority in excess of a 302(a) allocation of such authority;
- Section 306 of the Congressional Budget Act, which prohibits consideration of legislation within the jurisdiction of the Committee on the Budget unless referred to or reported by the Budget Committee;
- Section 311 of the Congressional Budget Act, which prohibits consideration of legislation that would cause the level of

total new budget authority for the first fiscal year to be exceeded; and

- Section 314(f) of the Congressional Budget Act, which prohibits the consideration of legislation that provides budget authority for a fiscal year that exceeds either of the discretionary statutory spending limits.

Although the resolution waives all points of order against consideration of H.R. 4667, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

Although the resolution waives all points of order against provisions in H.R. 4667, as amended, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

#### COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

##### *Rules Committee record vote No. 168*

Motion by Ms. Slaughter to make in order and provide the appropriate waivers to amendment #4 to the Senate amendment to H.R. 1370, offered by Rep. Lujan Grisham (NM), which adds the Dream Act (H.R. 3440) to the underlying bill, which would give those with DACA and others who arrived in the United States as children a path to permanent legal status and citizenship. Defeated: 4–8

Majority Members	Vote	Minority Members	Vote
Mr. Cole .....	Nay	Ms. Slaughter .....	Yea
Mr. Woodall .....	Nay	Mr. McGovern .....	Yea
Mr. Burgess .....	Nay	Mr. Hastings of Florida .....	Yea
Mr. Collins .....	Nay	Mr. Polis .....	Yea
Mr. Byrne .....	Nay		
Mr. Newhouse .....	Nay		
Mr. Buck .....			
Ms. Cheney .....	Nay		
Mr. Sessions, Chairman .....	Nay		

##### *Rules Committee record vote No. 169*

Motion by Mr. Hastings of Florida to make in order and provide the necessary waivers for an amendment offered by Rep. Hastings to the CR with the text consisting of the following: none of the funds appropriated in the Continuing Appropriations Act, 2018 (division D of Public Law 115–56) may be used to deport recipients of the Deferred Action for Childhood Arrivals Program. Defeated: 4–8

Majority Members	Vote	Minority Members	Vote
Mr. Cole .....	Nay	Ms. Slaughter .....	Yea
Mr. Woodall .....	Nay	Mr. McGovern .....	Yea
Mr. Burgess .....	Nay	Mr. Hastings of Florida .....	Yea
Mr. Collins .....	Nay	Mr. Polis .....	Yea
Mr. Byrne .....	Nay		
Mr. Newhouse .....	Nay		
Mr. Buck .....			
Ms. Cheney .....	Nay		
Mr. Sessions, Chairman .....	Nay		

*Rules Committee record vote No. 170*

Motion by Mr. Polis to provide a rule for consideration of H.R. 3440, the DREAM Act, as a standalone measure under an open rule. Defeated: 4–8

Majority Members	Vote	Minority Members	Vote
Mr. Cole .....	Nay	Ms. Slaughter .....	Yea
Mr. Woodall .....	Nay	Mr. McGovern .....	Yea
Mr. Burgess .....	Nay	Mr. Hastings of Florida .....	Yea
Mr. Collins .....	Nay	Mr. Polis .....	Yea
Mr. Byrne .....	Nay		
Mr. Newhouse .....	Nay		
Mr. Buck .....	.....		
Ms. Cheney .....	Nay		
Mr. Sessions, Chairman .....	Nay		

*Rules Committee record vote No. 171*

Motion by Mr. Cole to report the rule. Adopted: 8–4

Majority Members	Vote	Minority Members	Vote
Mr. Cole .....	Yea	Ms. Slaughter .....	Nay
Mr. Woodall .....	Yea	Mr. McGovern .....	Nay
Mr. Burgess .....	Yea	Mr. Hastings of Florida .....	Nay
Mr. Collins .....	Yea	Mr. Polis .....	Nay
Mr. Byrne .....	Yea		
Mr. Newhouse .....	Yea		
Mr. Buck .....	.....		
Ms. Cheney .....	Yea		
Mr. Sessions, Chairman .....	Yea		

SUMMARY OF THE AMENDMENTS TO H.R. 4667 CONSIDERED AS  
ADOPTED

1. Walters, Mimi (CA): Provides disaster-related tax relief to individuals in major declared disaster areas resulting from wildfires in California and Hurricane Harvey in Louisiana. Makes technical corrections to ensure correct effective dates for sections 2009 and 2037.

2. González-Colón (PR): Designates low-income communities in Puerto Rico as opportunity zones.

TEXT OF AMENDMENTS TO H.R. 4667 CONSIDERED AS ADOPTED

AMENDMENT #1 CONSIDERED AS ADOPTED

Page 102, after line 2, insert the following:

(c) APPLICABILITY.—This section shall apply to each disaster and emergency declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) after January 1, 2016.

Page 147, line 3, strike “(C)” and insert “(B)”.

Page 159, line 20, insert “(other than division E)” after “succeeding division”.

Page 159, line 24, insert “(other than division E)” after “succeeding division”.

Page 160, insert “(other than division E)” after “succeeding division” beginning on line 9.

Page 160, after line 14, add the following:

## DIVISION E—TAX RELIEF RELATING TO CERTAIN DISASTERS

### TITLE I—CALIFORNIA FIRES

#### SEC. 5001. DEFINITIONS.

For purposes of this title—

(1) **CALIFORNIA WILDFIRE DISASTER ZONE.**—The term “California wildfire disaster zone” means that portion of the California wildfire disaster area determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of wildfires in California.

(2) **CALIFORNIA WILDFIRE DISASTER AREA.**—The term “California wildfire disaster area” means an area with respect to which during 2017 a major disaster has been declared by the President under section 401 of such Act by reason of wildfires in California.

#### SEC. 5002. SPECIAL DISASTER-RELATED RULES FOR USE OF RETIREMENT FUNDS.

##### (a) TAX-FAVORED WITHDRAWALS FROM RETIREMENT PLANS.—

(1) **IN GENERAL.**—Section 72(t) of the Internal Revenue Code of 1986 shall not apply to any qualified wildfire distribution.

##### (2) AGGREGATE DOLLAR LIMITATION.—

(A) **IN GENERAL.**—For purposes of this subsection, the aggregate amount of distributions received by an individual which may be treated as qualified wildfire distributions for any taxable year shall not exceed the excess (if any) of—

(i) \$100,000, over

(ii) the aggregate amounts treated as qualified wildfire distributions received by such individual for all prior taxable years.

(B) **TREATMENT OF PLAN DISTRIBUTIONS.**—If a distribution to an individual would (without regard to subparagraph (A)) be a qualified wildfire distribution, a plan shall not be treated as violating any requirement of the Internal Revenue Code of 1986 merely because the plan treats such distribution as a qualified wildfire distribution, unless the aggregate amount of such distributions from all plans maintained by the employer (and any member of any controlled group which includes the employer) to such individual exceeds \$100,000.

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

##### (3) AMOUNT DISTRIBUTED MAY BE REPAID.—

(A) **IN GENERAL.**—Any individual who receives a qualified wildfire distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, make one or more contributions in an aggregate amount not to exceed the amount of

such distribution to an eligible retirement plan of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), of the Internal Revenue Code of 1986, as the case may be.

(B) TREATMENT OF REPAYMENTS OF DISTRIBUTIONS FROM ELIGIBLE RETIREMENT PLANS OTHER THAN IRAS.—For purposes of the Internal Revenue Code of 1986, if a contribution is made pursuant to subparagraph (A) with respect to a qualified wildfire distribution from an eligible retirement plan other than an individual retirement plan, then the taxpayer shall, to the extent of the amount of the contribution, be treated as having received the qualified wildfire distribution in an eligible rollover distribution (as defined in section 402(c)(4) of such Code) and as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(C) TREATMENT OF REPAYMENTS FOR DISTRIBUTIONS FROM IRAS.—For purposes of the Internal Revenue Code of 1986, if a contribution is made pursuant to subparagraph (A) with respect to a qualified wildfire distribution from an individual retirement plan (as defined by section 7701(a)(37) of such Code), then, to the extent of the amount of the contribution, the qualified wildfire distribution shall be treated as a distribution described in section 408(d)(3) of such Code and as having been transferred to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(4) DEFINITIONS.—For purposes of this subsection—

(A) QUALIFIED WILDFIRE DISTRIBUTION.—Except as provided in paragraph (2), the term “qualified wildfire distribution” means any distribution from an eligible retirement plan made on or after October 8, 2017, and before January 1, 2019, to an individual whose principal place of abode on October 8, 2017, is located in the California wildfire disaster area and who has sustained an economic loss by reason of the wildfires to which the declaration of such area relates.

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

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

(A) IN GENERAL.—In the case of any qualified wildfire distribution, unless the taxpayer elects not to have this paragraph apply for any taxable year, any amount required to be included in gross income for such taxable year shall be so included ratably over the 3-taxable-year period beginning with such taxable year.

(B) SPECIAL RULE.—For purposes of subparagraph (A), rules similar to the rules of subparagraph (E) of section 408A(d)(3) of the Internal Revenue Code of 1986 shall apply.

(6) SPECIAL RULES.—

(A) EXEMPTION OF DISTRIBUTIONS FROM TRUSTEE TO TRUSTEE TRANSFER AND WITHHOLDING RULES.—For purposes of sections 401(a)(31), 402(f), and 3405 of the Internal Revenue Code of 1986, qualified wildfire distributions shall not be treated as eligible rollover distributions.

(B) QUALIFIED WILDFIRE DISTRIBUTIONS TREATED AS MEETING PLAN DISTRIBUTION REQUIREMENTS.—For purposes the Internal Revenue Code of 1986, a qualified wildfire distribution shall be treated as meeting the requirements of sections 401(k)(2)(B)(i), 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A) of such Code.

(b) RECONTRIBUTIONS OF WITHDRAWALS FOR HOME PURCHASES.—

(1) RECONTRIBUTIONS.—

(A) IN GENERAL.—Any individual who received a qualified distribution may, during the period beginning on October 8, 2017, and ending on June 30, 2018, make one or more contributions in an aggregate amount not to exceed the amount of such qualified distribution to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Internal Revenue Code of 1986) of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(b)(8), or 408(d)(3), of such Code, as the case may be.

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

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

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

(B) received after March 31, 2017, and before January 15, 2018, and

(C) which was to be used to purchase or construct a principal residence in the California wildfire disaster area but which was not so purchased or constructed on account of the wildfires to which the declaration of such area relates.

(c) LOANS FROM QUALIFIED PLANS.—

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

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

(B) clause (ii) of such section shall be applied by substituting “the present value of the nonforfeitable accrued benefit of the employee under the plan” for “one-half of the present value of the nonforfeitable accrued benefit of the employee under the plan”.

(2) DELAY OF REPAYMENT.—In the case of a qualified individual with an outstanding loan on or after October 8, 2017, from a qualified employer plan (as defined in section 72(p)(4) of the Internal Revenue Code of 1986)—

(A) if the due date pursuant to subparagraph (B) or (C) of section 72(p)(2) of such Code for any repayment with respect to such loan occurs during the period beginning on October 8, 2017, and ending on December 31, 2018, such due date shall be delayed for 1 year,

(B) any subsequent repayments with respect to any such loan shall be appropriately adjusted to reflect the delay in the due date under paragraph (1) and any interest accruing during such delay, and

(C) in determining the 5-year period and the term of a loan under subparagraph (B) or (C) of section 72(p)(2) of such Code, the period described in subparagraph (A) shall be disregarded.

(3) QUALIFIED INDIVIDUAL.—For purposes of this subsection, the term “qualified individual” means any individual whose principal place of abode on October 8, 2017, is located in the California wildfire disaster area and who has sustained an economic loss by reason of wildfires to which the declaration of such area relates.

(d) PROVISIONS RELATING TO PLAN AMENDMENTS.—

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

(2) AMENDMENTS TO WHICH SUBSECTION APPLIES.—

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

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

(ii) on or before the last day of the first plan year beginning on or after January 1, 2019, or such later date as the Secretary may prescribe.

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

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

(i) during the period—

(I) beginning on the date that this section or the regulation described in subparagraph (A)(i) takes effect (or in the case of a plan or contract amendment not required by this section or such regulation, the effective date specified by the plan), and

(II) ending on the date described in subparagraph (A)(ii) (or, if earlier, the date the plan or contract amendment is adopted),



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

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

**SEC. 5003. EMPLOYEE RETENTION CREDIT FOR EMPLOYERS AFFECTED BY CALIFORNIA WILDFIRES.**

(a) **IN GENERAL.**—For purposes of section 38 of the Internal Revenue Code of 1986, in the case of an eligible employer, the California wildfire employee retention credit shall be treated as a credit listed in subsection (b) of such section. For purposes of this subsection, the California wildfire employee retention credit for any taxable year is an amount equal to 40 percent of the qualified wages with respect to each eligible employee of such employer for such taxable year. For purposes of the preceding sentence, the amount of qualified wages which may be taken into account with respect to any individual shall not exceed \$6,000.

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

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

(A) which conducted an active trade or business on October 8, 2017, in the California wildfire disaster zone, and

(B) with respect to whom the trade or business described in subparagraph (A) is inoperable on any day after October 8, 2017, and before January 1, 2018, as a result of damage sustained by reason of the wildfires to which such declaration of such area relates.

(2) **ELIGIBLE EMPLOYEE.**—The term “eligible employee” means with respect to an eligible employer an employee whose principal place of employment on October 8, 2017, with such eligible employer was in the California wildfire disaster zone.

(3) **QUALIFIED WAGES.**—The term “qualified wages” means wages (as defined in section 51(c)(1) of the Internal Revenue Code of 1986, but without regard to section 3306(b)(2)(B) of such Code) paid or incurred by an eligible employer with respect to an eligible employee on any day after October 8, 2017, and before January 1, 2018, which occurs during the period—

(A) beginning on the date on which the trade or business described in paragraph (1) first became inoperable at the principal place of employment of the employee immediately before the wildfires to which the declaration of the California wildfire disaster area relates, and

(B) ending on the date on which such trade or business has resumed significant operations at such principal place of employment.

Such term shall include wages paid without regard to whether the employee performs no services, performs services at a different place of employment than such principal place of employment, or performs services at such principal place of employment before significant operations have resumed.

(c) **CERTAIN RULES TO APPLY.**—For purposes of this section, rules similar to the rules of sections 51(i)(1), 52, and 280C(a) of the Internal Revenue Code of 1986, shall apply.

(d) **EMPLOYEE NOT TAKEN INTO ACCOUNT MORE THAN ONCE.**—An employee shall not be treated as an eligible employee for purposes of this section for any period with respect to any employer

if such employer is allowed a credit under section 51 of the Internal Revenue Code of 1986 with respect to such employee for such period.

**SEC. 5004. ADDITIONAL DISASTER-RELATED TAX RELIEF PROVISIONS.**

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

(1) **IN GENERAL.**—Except as otherwise provided in paragraph (2), subsection (b) of section 170 of the Internal Revenue Code of 1986 shall not apply to qualified contributions and such contributions shall not be taken into account for purposes of applying subsections (b) and (d) of such section to other contributions.

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

**(A) INDIVIDUALS.**—In the case of an individual—

(i) **LIMITATION.**—Any qualified contribution shall be allowed only to the extent that the aggregate of such contributions does not exceed the excess of the taxpayer's contribution base (as defined in subparagraph (G) of section 170(b)(1) of such Code) over the amount of all other charitable contributions allowed under section 170(b)(1) of such Code.

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

**(B) CORPORATIONS.**—In the case of a corporation—

(i) **LIMITATION.**—Any qualified contribution shall be allowed only to the extent that the aggregate of such contributions does not exceed the excess of the taxpayer's taxable income (as determined under paragraph (2) of section 170(b) of such Code) over the amount of all other charitable contributions allowed under such paragraph.

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

(3) **EXCEPTION TO OVERALL LIMITATION ON ITEMIZED DEDUCTIONS.**—So much of any deduction allowed under section 170 of the Internal Revenue Code of 1986 as does not exceed the qualified contributions paid during the taxable year shall not be treated as an itemized deduction for purposes of section 68 of such Code.

**(4) QUALIFIED CONTRIBUTIONS.—**

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

**(i) such contribution—**

(I) is paid during the period beginning on October 8, 2017, and ending on December 31, 2017, in

cash to an organization described in section 170(b)(1)(A) of such Code, and

(II) is made for relief efforts in the California wildfire disaster area,

(ii) the taxpayer obtains from such organization contemporaneous written acknowledgment (within the meaning of section 170(f)(8) of such Code) that such contribution was used (or is to be used) for relief efforts described in clause (i)(II), and

(iii) the taxpayer has elected the application of this subsection with respect to such contribution.

(B) EXCEPTION.—Such term shall not include a contribution by a donor if the contribution is—

(i) to an organization described in section 509(a)(3) of the Internal Revenue Code of 1986, or

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

(C) APPLICATION OF ELECTION TO PARTNERSHIPS AND S CORPORATIONS.—In the case of a partnership or S corporation, the election under subparagraph (A)(iii) shall be made separately by each partner or shareholder.

(b) SPECIAL RULES FOR QUALIFIED DISASTER-RELATED PERSONAL CASUALTY LOSSES.—

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

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

(i) such net disaster loss, and

(ii) so much of the excess referred to in the matter preceding clause (i) of section 165(h)(2)(A) of such Code (reduced by the amount in clause (i) of this subparagraph) as exceeds 10 percent of the adjusted gross income of the individual,

(B) section 165(h)(1) of such Code shall be applied by substituting “\$500” for “\$500 (\$100 for taxable years beginning after December 31, 2009),”

(C) the standard deduction determined under section 63(c) of such Code shall be increased by the net disaster loss, and

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

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

(3) QUALIFIED DISASTER-RELATED PERSONAL CASUALTY LOSSES.—For purposes of this subsection, the term “qualified disaster-related personal casualty losses” means losses described in section 165(c)(3) of the Internal Revenue Code of 1986 which arise in the California wildfire disaster area on or

after October 8, 2017, and which are attributable to the wildfires to which the declaration of such area relates.

(c) SPECIAL RULE FOR DETERMINING EARNED INCOME.—

(1) IN GENERAL.—In the case of a qualified individual, if the earned income of the taxpayer for the taxable year which includes the applicable date is less than the earned income of the taxpayer for the preceding taxable year, the credits allowed under sections 24(d) and 32 of the Internal Revenue Code of 1986 may, at the election of the taxpayer, be determined by substituting—

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

(B) such earned income for the taxable year which includes October 8, 2017.

(2) QUALIFIED INDIVIDUAL.—For purposes of this subsection, the term “qualified individual” means any individual whose principal place of abode on October 8, 2017, was located—

(A) in the California wildfire disaster zone, or

(B) in the California wildfire disaster area (but outside the California wildfire disaster zone) and such individual was displaced from such principal place of abode by reason of the wildfires to which the declaration of such area relates.

(3) EARNED INCOME.—For purposes of this subsection, the term “earned income” has the meaning given such term under section 32(c) of the Internal Revenue Code of 1986.

(4) SPECIAL RULES.—

(A) APPLICATION TO JOINT RETURNS.—For purposes of paragraph (1), in the case of a joint return for a taxable year which includes October 8, 2017—

(i) such paragraph shall apply if either spouse is a qualified individual, and

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

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

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

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

## TITLE II—TAX RELIEF FOR HURRICANES HARVEY, IRMA, AND MARIA

### SEC. 5101. TAX RELIEF FOR HURRICANES HARVEY, IRMA, AND MARIA.

(a) MODIFICATION OF HURRICANES HARVEY AND IRMA DISASTER AREAS.—Subsections (a)(2) and (b)(2) of section 501 of the Disaster Tax Relief and Airport and Airway Extension Act of 2017 (Public Law 115–63; 131 Stat. 1173) are both amended by striking “September 21, 2017” and inserting “October 17, 2017”.

(b) EMPLOYEE RETENTION CREDIT.—Subsections (a)(3), (b)(3), and (c)(3) of section 503 of the Disaster Tax Relief and Airport and Airway Extension Act of 2017 (Public Law 115–63; 131 Stat. 1181) are each amended by striking “sections 51(i)(1) and 52” and inserting “sections 51(i)(1), 52, and 280C(a)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of title V of the Disaster Tax Relief and Airport and Airway Extension Act of 2017 to which such amendments relate.

## TITLE III—BUDGETARY EFFECTS

### SEC. 5201. EMERGENCY DESIGNATION.

This division is designated as an emergency requirement pursuant to section 4(g) of the Statutory Pay-As-You-Go Act of 2010 (2 U.S.C. 933(g)).

### SEC. 5202. DESIGNATION IN SENATE.

In the Senate, this division is designated as an emergency requirement pursuant to section 403(a) of S. Con. Res. 13 (111th Congress), the concurrent resolution on the budget for fiscal year 2010.

#### AMENDMENT #2 CONSIDERED AS ADOPTED

At the end of division C, insert the following:

### SEC. 3004. PUERTO RICO LOW-INCOME COMMUNITIES TREATED AS QUALIFIED OPPORTUNITY ZONE.

(a) IN GENERAL.—Section 1400Z–1(b) of the Internal Revenue Code of 1986, as added by the Tax Cuts and Jobs Act, is amended by adding at the end the following new paragraph:

“(3) SPECIAL RULE FOR PUERTO RICO.—Each population census tract in Puerto Rico that is a low-income community shall be deemed to be certified and designated as a qualified opportunity zone.”.

(b) CONFORMING AMENDMENT.—Section 1400Z–1(d)(1) of such Code is amended by inserting “and subsection (b)(3)” after “paragraph (2)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of section 13823 of the Tax Cuts and Jobs Act, and the deemed certification and designation under section 1400Z–1(b)(3) of such Code, as added by this section, shall be treated as effective on the date of the enactment of such Act.