

106TH CONGRESS
1ST SESSION

H. R. 3215

To amend the Internal Revenue Code of 1986 to allow penalty-free distributions from qualified retirement plans of individuals residing in Presidentially declared disaster areas and to allow relief from certain limitations on the deductibility of casualty losses sustained in such disaster areas.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 3, 1999

Mr. SISISKY (for himself, Mr. PICKETT, Mr. SCOTT, and Mr. BATEMAN) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow penalty-free distributions from qualified retirement plans of individuals residing in Presidentially declared disaster areas and to allow relief from certain limitations on the deductibility of casualty losses sustained in such disaster areas.

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. PENALTY-FREE DISTRIBUTIONS FROM QUALI-**
 2 **FIED RETIREMENT PLANS OF INDIVIDUALS**
 3 **RESIDING IN PRESIDENTIALLY DECLARED**
 4 **DISASTER AREAS.**

5 (a) IN GENERAL.—Section 72(t)(2) of the Internal
 6 Revenue Code of 1986 (relating to exceptions to 10-per-
 7 cent additional tax on early distributions) is amended by
 8 adding at the end the following new subparagraph:

9 “(G) DISTRIBUTIONS FOR DISASTER-RE-
 10 LATED EXPENSES.—Distributions which are
 11 qualified disaster-related distributions.”.

12 (b) QUALIFIED DISASTER-RELATED DISTRIBU-
 13 TIONS.—Section 72(t) of the Internal Revenue Code of
 14 1986 is amended by adding at the end the following new
 15 paragraph:

16 “(9) QUALIFIED DISASTER-RELATED DISTRIBU-
 17 TIONS.—For purposes of paragraph (2)(G)—

18 “(A) IN GENERAL.—The term ‘qualified
 19 disaster-related distribution’ means any pay-
 20 ment or distribution received by an individual
 21 who was residing in a disaster area on the date
 22 of the determination referred to in subpara-
 23 graph (B) and who owned property that was
 24 damaged in the disaster covered by the deter-
 25 mination, to the extent that the payment or dis-
 26 tribution is used by such individual within 90

days of the payment or distribution for purposes of repairing or replacing the damaged property. Such term shall only include any payment or distribution which is made during the 1-year period beginning on the date of the termination referred to in subparagraph (B).

“(B) DISASTER AREA.—The term ‘disaster area’ means an area determined by the President to warrant assistance by the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments and distributions received after July 31, 1999, by individuals residing in areas warranting assistance as determined by the President after such date.

SEC. 2. CASUALTY LOSS RELIEF.

(a) CASUALTY LOSS DEDUCTION FOR DISASTER LOSS ALLOWED WHETHER OR NOT IT EXCEEDS 10 PERCENT OF ADJUSTED GROSS INCOME.—Subsection (i) of section 165 of the Internal Revenue Code of 1986 (relating to disaster losses) is amended by adding at the end the following new paragraph:

“(5) ADJUSTED GROSS INCOME THRESHOLD NOT TO APPLY.—Subsection (h)(2) shall not apply

1 to any loss described in paragraph (1), and any such
 2 loss shall not be taken into account under that sub-
 3 section in determining the amount of any personal
 4 casualty loss for a taxable year.”.

5 (b) CASUALTY LOSS DEDUCTION FOR DISASTER
 6 LOSS ALLOWED WHETHER OR NOT TAXPAYER ITEMIZES
 7 OTHER DEDUCTIONS.—Subsection (a) of section 62 of
 8 such Code (defining adjusted gross income) is amended
 9 by inserting after paragraph (17) the following new para-
 10 graph:

11 “(18) DISASTER LOSSES.—The deduction al-
 12 lowed by section 165 for any loss attributable to a
 13 disaster occurring in an area subsequently deter-
 14 mined by the President to warrant assistance by the
 15 Federal Government under the Robert T. Stafford
 16 Disaster Relief and Emergency Assistance Act.”.

17 (c) EFFECTIVE DATE.—The amendments made by
 18 this section shall apply to losses sustained after July 31,
 19 1999, by individuals residing in areas warranting assist-
 20 ance as determined by the President after such date.

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