

109TH CONGRESS
1ST SESSION

H. R. 3733

To amend the Internal Revenue Code of 1986 to allow individuals who are victims of Hurricane Katrina to withdraw funds without penalty from their individual retirement accounts and certain other retirement plans.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 13, 2005

Mr. DAVIS of Alabama 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 individuals who are victims of Hurricane Katrina to withdraw funds without penalty from their individual retirement accounts and certain other retirement plans.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Emergency Savings
5 Relief Act of 2005”.

1 **SEC. 2. PENALTY-FREE WITHDRAWALS FROM IRA'S AND**
2 **CERTAIN OTHER RETIREMENT PLANS FOR**
3 **VICTIMS OF HURRICANE KATRINA.**

4 (a) IN GENERAL.—Paragraph (2) of section 72(t) of
5 the Internal Revenue Code of 1986 (relating to 10-percent
6 additional tax on early distributions from qualified retire-
7 ment plans) is amended by adding at the end the following
8 new subparagraph:

9 “(G) DISTRIBUTIONS FROM IRA’S AND
10 CERTAIN OTHER RETIREMENT PLANS TO VIC-
11 TIMS OF HURRICANE KATRINA.—

12 “(i) IN GENERAL.—Any qualified
13 Katrina-relief distribution.

14 “(ii) QUALIFIED KATRINA-RELIEF
15 DISTRIBUTION.—For purposes of this sub-
16 paragraph, the term ‘qualified Katrina-re-
17 lief distribution’ means any distribution to
18 an individual if—

19 “(I) such distribution is from an
20 individual retirement plan of such in-
21 dividual or from amounts attributable
22 to employer contributions made pur-
23 suant to elective deferrals described in
24 subparagraph (A) or (C) of section
25 402(g)(3) or section
26 501(c)(18)(D)(iii) by such individual,

1 “(II) such individual encounters
2 hardship by reason of Hurricane
3 Katrina, and

4 “(III) such distribution is made
5 after August 24, 2005, and before the
6 close of the 6-month period beginning
7 on the date of the enactment of this
8 subparagraph.

9 “(iii) AMOUNT DISTRIBUTED MAY BE
10 REPAID.—Any individual who receives a
11 qualified Katrina-relief distribution may, at
12 any time during the 5-year period begin-
13 ning on the day after the date on which
14 such distribution was made, make one or
15 more contributions to an individual retire-
16 ment plan of such individual in an aggre-
17 gate amount not to exceed the amount of
18 such distribution. The dollar limitations
19 otherwise applicable to contributions to in-
20 dividual retirement plans shall not apply to
21 any contribution made pursuant to the
22 preceding sentence. No deduction shall be
23 allowed for any contribution pursuant to
24 this clause.”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to distributions received after Au-
3 gust 24, 2005, in taxable years ending after such date.

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