

109TH CONGRESS  
1ST SESSION

# H. R. 3742

To amend the Internal Revenue Code of 1986 to allow withdrawals from individual retirement plans without penalty by individuals within areas determined by the President to be disaster areas by reason of certain natural disasters.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 13, 2005

Mr. FOLEY (for himself, Mr. MEEK of Florida, Ms. HARRIS, Mr. MILLER of Florida, Mr. WELLER, Ms. ROS-LEHTINEN, Mr. ENGLISH of Pennsylvania, Mr. MICA, Mr. JEFFERSON, Mr. MARIO DIAZ-BALART of Florida, Mr. MACK, Mr. LINCOLN DIAZ-BALART of Florida, Mr. FEENEY, Mr. DAVIS of Florida, Mr. PUTNAM, Ms. GINNY BROWN-WAITE of Florida, Mr. WILSON of South Carolina, Mr. SHAW, Mr. BOYD, and Mr. BILL-RAKIS) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow withdrawals from individual retirement plans without penalty by individuals within areas determined by the President to be disaster areas by reason of certain natural disasters.

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. TEMPORARY EXPANSION OF PENALTY-FREE**  
2 **WITHDRAWALS FROM INDIVIDUAL RETIRE-**  
3 **MENT PLANS FOR INDIVIDUALS WITHIN CER-**  
4 **TAIN DISASTER AREAS.**

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

10 “(G) DISTRIBUTIONS FROM RETIREMENT  
11 PLANS TO VICTIMS OF CERTAIN NATURAL DIS-  
12 ASTERS OCCURRING IN 2004 OR THEREAFTER.—  
13 Any distribution from an individual retirement  
14 plan to an individual who resides within, or  
15 holds real property located within, an area de-  
16 termined by the President to warrant assistance  
17 from the Federal Government under the Robert  
18 T. Stafford Disaster Relief and Emergency As-  
19 sistance Act by reason of hurricane, flood, or  
20 other natural disaster occurring in calendar  
21 year 2004 or thereafter if such distribution is  
22 made within 6 months after the date of the dis-  
23 aster declaration. Distributions shall not be  
24 taken into account under the preceding sen-  
25 tence if such distributions are described in sub-  
26 paragraph (A), (D), (E), or (F) or to the extent

1 paragraph (1) does not apply to such distribu-  
2 tions by reason of subparagraph (B).”.

3 (b) EFFECTIVE DATE.—The amendment made by  
4 this section shall apply to distributions received in taxable  
5 years beginning after December 31, 2003.

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