

116TH CONGRESS
1ST SESSION

H. R. 2145

To provide disaster relief.

IN THE HOUSE OF REPRESENTATIVES

APRIL 9, 2019

Mr. RICE of South Carolina (for himself, Mr. AUSTIN SCOTT of Georgia, Mr. DUNN, and Mr. ROUZER) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To provide disaster relief.

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 “Disaster Tax Relief
5 Act of 2019”.

6 **SEC. 2. DEFINITIONS.**

7 For purposes of this Act—

8 (1) **QUALIFIED DISASTER AREA.**—The term
9 “qualified disaster area” means any area with re-
10 spect to which a major disaster was declared, during
11 the period beginning on January 1, 2018, and end-

1 ing on the date of the enactment of this Act, by the
2 President under section 401 of the Robert T. Staf-
3 ford Disaster Relief and Emergency Assistance Act
4 if the incident period of the disaster with respect to
5 which such declaration is made begins after January
6 1, 2018, and before the date of the enactment of
7 this Act.

8 (2) QUALIFIED DISASTER ZONE.—The term
9 “qualified disaster zone” means that portion of any
10 qualified disaster area which is determined by the
11 President to warrant individual or individual and
12 public assistance from the Federal Government
13 under the Robert T. Stafford Disaster Relief and
14 Emergency Assistance Act by reason of the qualified
15 disaster with respect to such disaster area.

16 (3) QUALIFIED DISASTER.—The term “quali-
17 fied disaster” means, with respect to any qualified
18 disaster area, the disaster by reason of which a
19 major disaster was declared with respect to such
20 area.

21 (4) INCIDENT PERIOD.—The term “incident pe-
22 riod” means, with respect to any qualified disaster,
23 the period specified by the Federal Emergency Man-
24 agement Agency as the period during which such
25 disaster occurred.

1 **SEC. 3. 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 disaster 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 disaster 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 disaster distributions received by
18 such individual for all prior taxable years.

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

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

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

11 (D) SPECIAL RULE FOR INDIVIDUALS AF-
12 FECTED BY MORE THAN ONE DISASTER.—The
13 limitation of subparagraph (A) shall be applied
14 separately with respect to distributions made
15 with respect to each qualified disaster.

16 (3) AMOUNT DISTRIBUTED MAY BE REPAID.—

17 (A) IN GENERAL.—Any individual who re-
18 ceives a qualified disaster distribution may, at
19 any time during the 3-year period beginning on
20 the day after the date on which such distribu-
21 tion was received, make one or more contribu-
22 tions in an aggregate amount not to exceed the
23 amount of such distribution to an eligible retire-
24 ment plan of which such individual is a bene-
25 ficiary and to which a rollover contribution of

1 such distribution could be made under section
2 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or
3 457(e)(16), of the Internal Revenue Code of
4 1986, as the case may be.

5 (B) TREATMENT OF REPAYMENTS OF DIS-
6 TRIBUTIONS FROM ELIGIBLE RETIREMENT
7 PLANS OTHER THAN IRAS.—For purposes of
8 the Internal Revenue Code of 1986, if a con-
9 tribution is made pursuant to subparagraph (A)
10 with respect to a qualified disaster distribution
11 from an eligible retirement plan other than an
12 individual retirement plan, then the taxpayer
13 shall, to the extent of the amount of the con-
14 tribution, be treated as having received the
15 qualified disaster distribution in an eligible roll-
16 over distribution (as defined in section
17 402(c)(4) of such Code) and as having trans-
18 ferred the amount to the eligible retirement
19 plan in a direct trustee to trustee transfer with-
20 in 60 days of the distribution.

21 (C) TREATMENT OF REPAYMENTS OF DIS-
22 TRIBUTIONS FROM IRAS.—For purposes of the
23 Internal Revenue Code of 1986, if a contribu-
24 tion is made pursuant to subparagraph (A)
25 with respect to a qualified disaster distribution

1 from an individual retirement plan (as defined
2 by section 7701(a)(37) of such Code), then, to
3 the extent of the amount of the contribution,
4 the qualified disaster distribution shall be treat-
5 ed as a distribution described in section
6 408(d)(3) of such Code and as having been
7 transferred to the eligible retirement plan in a
8 direct trustee to trustee transfer within 60 days
9 of the distribution.

10 (4) DEFINITIONS.—For purposes of this sub-
11 section—

12 (A) QUALIFIED DISASTER DISTRIBUTION.—Except as provided in paragraph (2),
13 the term “qualified disaster distribution” means
14 any distribution from an eligible retirement
15 plan made after the incident beginning date of
16 a qualified disaster and on or before December
17 31 of the year after the year in which the inci-
18 dent period with respect to the disaster begins,
19 to an individual whose principal place of abode
20 at any time during the incident period of such
21 qualified disaster is located in the qualified dis-
22 aster area with respect to such qualified dis-
23 aster and who has sustained an economic loss
24 by reason of such qualified disaster.
25

1 (B) ELIGIBLE RETIREMENT PLAN.—The
 2 term “eligible retirement plan” shall have the
 3 meaning given such term by section
 4 402(c)(8)(B) of the Internal Revenue Code of
 5 1986.

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

8 (A) IN GENERAL.—In the case of any
 9 qualified disaster distribution, unless the tax-
 10 payer elects not to have this paragraph apply
 11 for any taxable year, any amount required to be
 12 included in gross income for such taxable year
 13 shall be so included ratably over the 3-taxable-
 14 year period beginning with such taxable year.

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

19 (6) SPECIAL RULES.—

20 (A) EXEMPTION OF DISTRIBUTIONS FROM
 21 TRUSTEE TO TRUSTEE TRANSFER AND WITH-
 22 HOLDING RULES.—For purposes of sections
 23 401(a)(31), 402(f), and 3405 of the Internal
 24 Revenue Code of 1986, qualified disaster dis-

1 tributions shall not be treated as eligible roll-
2 over distributions.

3 (B) QUALIFIED DISASTER DISTRIBUTIONS
4 TREATED AS MEETING PLAN DISTRIBUTION RE-
5 QUIREMENTS.—For purposes of the Internal
6 Revenue Code of 1986, a qualified disaster dis-
7 tribution shall be treated as meeting the re-
8 quirements of sections 401(k)(2)(B)(I),
9 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A)
10 of such Code.

11 (b) RECONTRIBUTIONS OF WITHDRAWALS FOR
12 HOME PURCHASES.—

13 (1) RECONTRIBUTIONS.—

14 (A) IN GENERAL.—Any individual who re-
15 ceived a qualified distribution may, during the
16 applicable period, make one or more contribu-
17 tions in an aggregate amount not to exceed the
18 amount of such qualified distribution to an eli-
19 gible retirement plan (as defined in section
20 402(c)(8)(B) of the Internal Revenue Code of
21 1986) of which such individual is a beneficiary
22 and to which a rollover contribution of such dis-
23 tribution could be made under section 402(c),
24 403(a)(4), 403(b)(8), or 408(d)(3), of such
25 Code, as the case may be.

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

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

8 (A) described in section
9 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but only
10 to the extent such distribution relates to finan-
11 cial hardship), 403(b)(11)(B), or 72(t)(2)(F),
12 of the Internal Revenue Code of 1986,

13 (B) which was to be used to purchase or
14 construct a principal residence in a qualified
15 disaster area, but which was not so used on ac-
16 count of the qualified disaster with respect to
17 such area, and

18 (C) which was received on or after the date
19 that is 270 days before the first day of incident
20 period of the disaster, and before the date
21 which is 30 days after the last day of the inci-
22 dent period of such qualified disaster.

23 (3) APPLICABLE PERIOD.—For purposes of this
24 subsection, the term “applicable period” means, with
25 respect to any qualified distribution, the period be-

1 ginning on the first day of the incident period of the
2 disaster and ending on the date that is 180 days
3 after the last day of such incident period.

4 (c) LOANS FROM QUALIFIED PLANS.—

5 (1) INCREASE IN LIMIT ON LOANS NOT TREAT-
6 ED AS DISTRIBUTIONS.—In the case of any loan
7 from a qualified employer plan (as defined under
8 section 72(p)(4) of the Internal Revenue Code of
9 1986) to a qualified individual made during the pe-
10 riod beginning on the date of the enactment of this
11 Act and ending on December 31 of the year after
12 the year in which the incident period with respect to
13 the disaster begins—

14 (A) clause (i) of section 72(p)(2)(A) of
15 such Code shall be applied by substituting
16 “\$100,000” for “\$50,000”, and

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

23 (2) DELAY OF REPAYMENT.—In the case of a
24 qualified individual (with respect to any qualified
25 disaster) with an outstanding loan on or after the

1 incident beginning date (of such qualified disaster)
2 from a qualified employer plan (as defined in section
3 72(p)(4) of the Internal Revenue Code of 1986)—

4 (A) if the due date pursuant to subpara-
5 graph (B) or (C) of section 72(p)(2) of such
6 Code for any repayment with respect to such
7 loan occurs during the period beginning on the
8 incident beginning date of such qualified dis-
9 aster and ending on December 31 of the year
10 after the year in which the incident period with
11 respect to the disaster begins, such due date
12 shall be delayed for 1 year,

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

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

23 (3) QUALIFIED INDIVIDUAL.—For purposes of
24 this subsection, the term “qualified individual”
25 means any individual—

1 (A) whose principal place of abode at any
 2 time during the incident period of any qualified
 3 disaster is located in the qualified disaster area
 4 with respect to such qualified disaster, and

5 (B) who has sustained an economic loss by
 6 reason of such qualified disaster.

7 (d) PROVISIONS RELATING TO PLAN AMEND-
 8 MENTS.—

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

14 (2) AMENDMENTS TO WHICH SUBSECTION AP-
 15 PLIES.—

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

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

24 (ii) on or before the last day of the
 25 first plan year beginning on or after Janu-

1 ary 1, 2020, or such later date as the Sec-
2 retary may prescribe.

3 In the case of a governmental plan (as defined
4 in section 414(d) of the Internal Revenue Code
5 of 1986), clause (ii) shall be applied by sub-
6 stituting the date which is 2 years after the
7 date otherwise applied under clause (ii).

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

10 (i) during the period—

11 (I) beginning on the date that
12 this section or the regulation de-
13 scribed in subparagraph (A)(i) takes
14 effect (or in the case of a plan or con-
15 tract amendment not required by this
16 section or such regulation, the effec-
17 tive date specified by the plan), and

18 (II) ending on the date described
19 in subparagraph (A)(ii) (or, if earlier,
20 the date the plan or contract amend-
21 ment is adopted),

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

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

3 **SEC. 4. EMPLOYEE RETENTION CREDIT FOR EMPLOYERS**
4 **AFFECTED BY QUALIFIED DISASTERS.**

5 (a) IN GENERAL.—For purposes of section 38 of the
6 Internal Revenue Code of 1986, in the case of an eligible
7 employer, the qualified disaster employee retention credit
8 shall be treated as a credit listed in subsection (b) of such
9 section. For purposes of this subsection, the qualified dis-
10 aster employee retention credit for any taxable year is an
11 amount equal to 40 percent of the qualified wages with
12 respect to each eligible employee of such employer for such
13 taxable year. For purposes of the preceding sentence, the
14 amount of qualified wages which may be taken into ac-
15 count with respect to any individual shall not exceed
16 \$6,000.

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

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

20 (A) which conducted an active trade or
21 business in a qualified disaster zone at any time
22 during the incident period of the qualified dis-
23 aster with respect to such qualified disaster
24 zone, and

1 (B) with respect to whom the trade or
2 business described in subparagraph (A) is inop-
3 erable at any time after the incident beginning
4 date of such qualified disaster, and before Jan-
5 uary 1 of the year after the year of such inci-
6 dent beginning date, as a result of damage sus-
7 tained by reason of such qualified disaster.

8 (2) ELIGIBLE EMPLOYEE.—The term “eligible
9 employee” means with respect to an eligible em-
10 ployer an employee whose principal place of employ-
11 ment at any time during the incident period of the
12 qualified disaster referred to in paragraph (1) with
13 such eligible employer was in the qualified disaster
14 zone referred to in such paragraph.

15 (3) QUALIFIED WAGES.—The term “qualified
16 wages” means wages (as defined in section 51(c)(1)
17 of the Internal Revenue Code of 1986, but without
18 regard to section 3306(b)(2)(B) of such Code) paid
19 or incurred by an eligible employer with respect to
20 an eligible employee at any time during the period
21 described in paragraph (1)(B), and which occurs
22 during the period—

23 (A) beginning on the date on which the
24 trade or business described in paragraph (1)
25 first became inoperable at the principal place of

1 employment of the employee immediately before
2 the qualified disaster referred to in such para-
3 graph, and

4 (B) ending on the date on which such
5 trade or business has resumed significant oper-
6 ations at such principal place of employment.

7 Such term shall include wages paid without regard
8 to whether the employee performs no services, per-
9 forms services at a different place of employment
10 than such principal place of employment, or per-
11 forms services at such principal place of employment
12 before significant operations have resumed.

13 (c) CERTAIN RULES TO APPLY.—For purposes of
14 this subsection, rules similar to the rules of sections
15 51(i)(1), 52, and 280C(a), of the Internal Revenue Code
16 of 1986, shall apply.

17 (d) EMPLOYEE NOT TAKEN INTO ACCOUNT MORE
18 THAN ONCE.—An employee shall not be treated as an eli-
19 gible employee for purposes of this subsection for any pe-
20 riod with respect to any employer if such employer is al-
21 lowed a credit under section 51 of the Internal Revenue
22 Code of 1986 with respect to such employee for such pe-
23 riod.

1 **SEC. 5. OTHER DISASTER-RELATED TAX RELIEF PROVI-**
2 **SIONS.**

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

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

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

15 (A) INDIVIDUALS.—In the case of an indi-
16 vidual—

17 (i) LIMITATION.—Any qualified con-
18 tribution shall be allowed only to the ex-
19 tent that the aggregate of such contribu-
20 tions does not exceed the excess of the tax-
21 payer's contribution base (as defined in
22 subparagraph (H) of section 170(b)(1) of
23 such Code) over the amount of all other
24 charitable contributions allowed under sec-
25 tion 170(b)(1) of such Code.

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

10 (B) CORPORATIONS.—In the case of a cor-
11 poration—

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

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

24 (3) QUALIFIED CONTRIBUTIONS.—

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

6 (i) such contribution—

7 (I) is made for relief efforts in
8 one or more qualified disaster areas,
9 and

10 (II) is paid during the period be-
11 ginning on the first day of the inci-
12 dent period for any such disaster, and
13 ending on December 31 of the year in
14 which such incident period begins, in
15 cash to an organization described in
16 section 170(b)(1)(A) of such Code,

17 (ii) the taxpayer obtains from such or-
18 ganization contemporaneous written ac-
19 knowledgment (within the meaning of sec-
20 tion 170(f)(8) of such Code) that such con-
21 tribution was used (or is to be used) for
22 relief efforts described in clause (i)(I), and

23 (iii) the taxpayer has elected the ap-
24 plication of this subsection with respect to
25 such contribution.

1 (B) EXCEPTION.—Such term shall not in-
 2 clude a contribution by a donor if the contribu-
 3 tion is—

4 (i) to an organization described in sec-
 5 tion 509(a)(3) of the Internal Revenue
 6 Code of 1986, or

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

11 (C) APPLICATION OF ELECTION TO PART-
 12 NERSHIPS AND S CORPORATIONS.—In the case
 13 of a partnership or S corporation, the election
 14 under subparagraph (A)(iii) shall be made sepa-
 15 rately by each partner or shareholder.

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

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

20 (A) the amount determined under section
 21 165(h)(2)(A)(ii) of the Internal Revenue Code
 22 of 1986 shall be equal to the sum of—

23 (i) such net disaster loss, and
 24 (ii) so much of the excess referred to
 25 in the matter preceding clause (i) of sec-

1 tion 165(h)(2)(A) of such Code (reduced
2 by the amount in clause (i) of this sub-
3 paragraph) as exceeds 10 percent of the
4 adjusted gross income of the individual,

5 (B) section 165(h)(1) of such Code shall
6 be applied by substituting “\$500” for “\$500
7 (\$100 for taxable years beginning after Decem-
8 ber 31, 2009)”,

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

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

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

22 (3) QUALIFIED DISASTER-RELATED PERSONAL
23 CASUALTY LOSSES.—For purposes of this sub-
24 section, the term “qualified disaster-related personal
25 casualty losses” means losses described in section

1 165(c)(3) of the Internal Revenue Code of 1986
2 which arise in a qualified disaster area on or after
3 the incident beginning date of the qualified disaster
4 to which such area relates, and which are attrib-
5 utable to such qualified disaster.

6 (c) SPECIAL RULE FOR DETERMINING EARNED IN-
7 COME.—

8 (1) IN GENERAL.—In the case of a qualified in-
9 dividual, if the earned income of the taxpayer for the
10 applicable taxable year is less than the earned in-
11 come of the taxpayer for the preceding taxable year,
12 the credits allowed under sections 24(d) and 32 of
13 the Internal Revenue Code of 1986 may, at the elec-
14 tion of the taxpayer, be determined by sub-
15 stituting—

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

18 (B) such earned income for the applicable
19 taxable year.

20 (2) QUALIFIED INDIVIDUAL.—For purposes of
21 this subsection, the term “qualified individual”
22 means any individual whose principal place of abode
23 at any time during the incident period of any quali-
24 fied disaster was located—

1 (A) in the qualified disaster zone with re-
 2 spect to such qualified disaster, or

3 (B) in the qualified disaster area with re-
 4 spect to such qualified disaster (but outside the
 5 qualified disaster zone with respect to such
 6 qualified disaster) and such individual was dis-
 7 placed from such principal place of abode by
 8 reason of such qualified disaster.

9 (3) APPLICABLE TAXABLE YEAR.—The term
 10 “applicable taxable year” means, with respect to any
 11 qualified individual, any taxable year which includes
 12 any day during the incident period of the qualified
 13 disaster to which the qualified disaster area referred
 14 to in paragraph (2) relates.

15 (4) EARNED INCOME.—For purposes of this
 16 subsection, the term “earned income” has the mean-
 17 ing given such term under section 32(c) of the Inter-
 18 nal Revenue Code of 1986.

19 (5) SPECIAL RULES.—

20 (A) APPLICATION TO JOINT RETURNS.—

21 For purposes of paragraph (1), in the case of
 22 a joint return for an applicable taxable year—

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

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

5 (B) UNIFORM APPLICATION OF ELEC-
6 TION.—Any election made under paragraph (1)
7 shall apply with respect to both sections 24(d)
8 and 32 of the Internal Revenue Code of 1986.

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

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

20 **SEC. 6. TREATMENT OF CERTAIN POSSESSIONS.**

21 (a) PAYMENTS TO GUAM AND THE COMMONWEALTH
22 OF THE NORTHERN MARIANA ISLANDS.—The Secretary
23 of the Treasury shall pay to Guam and the Commonwealth
24 of the Northern Mariana Islands amounts equal to the loss
25 to that possession by reason of the application of the pro-

visions of this Act. Such amounts shall be determined by the Secretary of the Treasury based on information provided by the government of the respective possession.

(b) PAYMENTS TO AMERICAN SAMOA.—

(1) IN GENERAL.—The Secretary of the Treasury shall pay to American Samoa amounts estimated by the Secretary of the Treasury as being equal to the aggregate benefits that would have been provided to residents of American Samoa by reason of the provisions of this Act if a mirror code tax system had been in effect in American Samoa. The preceding sentence shall not apply unless American Samoa has a plan, which has been approved by the Secretary of the Treasury, under which American Samoa will promptly distribute such payments to its residents.

(2) MIRROR CODE TAX SYSTEM.—For purposes of this subsection, the term “mirror code tax system” means, with respect to any possession of the United States, the income tax system of such possession if the income tax liability of the residents of such possession under such system is determined by reference to the income tax laws of the United States as if such possession were the United States.

1 (c) TREATMENT OF PAYMENTS.—For purposes of
2 section 1324 of title 31, United States Code, the payments
3 under this section shall be treated in the same manner
4 as a refund due from a credit provision referred to in sub-
5 section (b)(2) of such section.

6 **SEC. 7. AUTOMATIC EXTENSION OF FILING DEADLINE.**

7 (a) IN GENERAL.—Section 7508A is amended by
8 adding at the end the following new subsection:

9 “(d) MANDATORY 60-DAY EXTENSION.—In the case
10 of—

11 “(1) any individual whose principal place of
12 abode is in a disaster area (as defined in section
13 165(i)(5)(B)), and

14 “(2) any taxpayer if the taxpayer’s principal
15 place of business (other than the business of per-
16 forming services of an employee) is located in a dis-
17 aster area (as so defined),

18 the period beginning on the earliest incident date specified
19 in the declaration to which such area relates and ending
20 on the date which is 60 days after the latest incident date
21 so specified shall be disregarded in the same manner as
22 a period specified under subsection (a).”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to Federally declared disasters de-
3 clared after December 31, 2018.

○