

116TH CONGRESS  
1ST SESSION

# S. 2544

To provide tax relief for the victims of Hurricane Florence, Hurricane Michael, and certain California wildfires.

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 25, 2019

Mr. BURR (for himself, Mr. TILLIS, Mrs. FEINSTEIN, Ms. HARRIS, Mr. ISAKSON, Mr. GRAHAM, and Mr. RUBIO) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To provide tax relief for the victims of Hurricane Florence, Hurricane Michael, and certain California wildfires.

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 “Hurricanes Florence  
5 and Michael and California Wildfire Tax Relief Act”.

6 **SEC. 2. DEFINITIONS.**

7 For purposes of this Act—

8 (1) HURRICANE FLORENCE DISASTER ZONE.—

9 The term “Hurricane Florence disaster zone” means  
10 that portion of the Hurricane Florence disaster area

1 determined by the President to warrant individual or  
2 individual and public assistance from the Federal  
3 Government under the Robert T. Stafford Disaster  
4 Relief and Emergency Assistance Act by reason of  
5 Hurricane Florence.

6 (2) HURRICANE FLORENCE DISASTER AREA.—  
7 The term “Hurricane Florence disaster area” means  
8 an area with respect to which a major disaster has  
9 been declared by the President before November 26,  
10 2018, under section 401 of such Act by reason of  
11 Hurricane Florence.

12 (3) HURRICANE MICHAEL DISASTER ZONE.—  
13 The term “Hurricane Michael disaster zone” means  
14 that portion of the Hurricane Michael disaster area  
15 determined by the President to warrant individual or  
16 individual and public assistance from the Federal  
17 Government under the Robert T. Stafford Disaster  
18 Relief and Emergency Assistance Act by reason of  
19 Hurricane Michael.

20 (4) HURRICANE MICHAEL DISASTER AREA.—  
21 The term “Hurricane Michael disaster area” means  
22 an area with respect to which a major disaster has  
23 been declared by the President before November 26,  
24 2018, under section 401 of such Act by reason of  
25 Hurricane Michael.

1 (5) MENDOCINO AND CARR WILDFIRES.—

2 (A) MENDOCINO AND CARR WILDFIRE DIS-  
3 ASTER ZONE.—The term “Mendocino and Carr  
4 wildfire disaster zone” means that portion of  
5 the Mendocino and Carr wildfire disaster area  
6 determined by the President to warrant indi-  
7 vidual or individual and public assistance from  
8 the Federal Government under the Robert T.  
9 Stafford Disaster Relief and Emergency Assist-  
10 ance Act by reason of the wildfires in California  
11 commonly known as the Mendocino and Carr  
12 wildfires of 2018.

13 (B) MENDOCINO AND CARR WILDFIRE DIS-  
14 ASTER AREA.—The term “Mendocino and Carr  
15 wildfire disaster area” means an area with re-  
16 spect to which between August 4, 2018, and  
17 November 26, 2018, a major disaster has been  
18 declared by the President under section 401 of  
19 such Act by reason of the wildfire in California  
20 commonly known as the Mendocino and Carr  
21 wildfires of 2018.

22 (6) CAMP, WOOLSEY, AND HILL WILDFIRES.—

23 (A) CAMP, WOOLSEY, AND HILL WILDFIRE  
24 DISASTER ZONE.—The term “Camp, Woolsey,  
25 and Hill wildfire disaster zone” means that por-

1 tion of the Camp, Woolsey, and Hill wildfire  
 2 disaster area determined by the President to  
 3 warrant individual or individual and public as-  
 4 sistance from the Federal Government under  
 5 the Robert T. Stafford Disaster Relief and  
 6 Emergency Assistance Act by reason of the  
 7 wildfires in California commonly known as the  
 8 Camp, Woolsey, and Hill wildfires of 2018.

9 (B) CAMP, WOOLSEY, AND HILL WILDFIRE  
 10 DISASTER AREA.—The term “Camp, Woolsey,  
 11 and Hill wildfire disaster area” means an area  
 12 with respect to which between November 12,  
 13 2018, and December 15, 2018, a major disaster  
 14 has been declared by the President under sec-  
 15 tion 401 of such Act by reason of the wildfires  
 16 in California commonly known as the Camp,  
 17 Woolsey, and Hill wildfires of 2018.

18 **SEC. 3. SPECIAL DISASTER-RELATED RULES FOR USE OF**  
 19 **RETIREMENT FUNDS.**

20 (a) TAX-FAVORED WITHDRAWALS FROM RETIRE-  
 21 MENT PLANS.—

22 (1) IN GENERAL.—Section 72(t) of the Internal  
 23 Revenue Code of 1986 shall not apply to any quali-  
 24 fied disaster distribution.

25 (2) AGGREGATE DOLLAR LIMITATION.—

1 (A) IN GENERAL.—For purposes of this  
2 subsection, the aggregate amount of distribu-  
3 tions received by an individual which may be  
4 treated as qualified disaster distributions for  
5 any taxable year shall not exceed the excess (if  
6 any) of—

7 (i) \$100,000, over

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

11 (B) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual would  
12 (without regard to subparagraph (A)) be a  
13 qualified disaster distribution, a plan shall not  
14 be treated as violating any requirement of the  
15 Internal Revenue Code of 1986 merely because  
16 the plan treats such distribution as a qualified  
17 disaster distribution, unless the aggregate  
18 amount of such distributions from all plans  
19 maintained by the employer (and any member  
20 of any controlled group which includes the em-  
21 ployer) to such individual exceeds \$100,000.

22 (C) CONTROLLED GROUP.—For purposes  
23 of subparagraph (B), the term “controlled  
24 group” means any group treated as a single  
25

1 employer under subsection (b), (c), (m), or (o)  
2 of section 414 of the Internal Revenue Code of  
3 1986.

4 (D) SPECIAL RULE FOR INDIVIDUALS AF-  
5 FECTED BY MORE THAN ONE DISASTER.—The  
6 limitation of subparagraph (A) shall be applied  
7 separately with respect to distributions de-  
8 scribed in each clause of paragraph (4)(A).

9 (3) AMOUNT DISTRIBUTED MAY BE REPAID.—

10 (A) IN GENERAL.—Any individual who re-  
11 ceives a qualified disaster distribution may, at  
12 any time during the 3-year period beginning on  
13 the day after the date on which such distribu-  
14 tion was received, make one or more contribu-  
15 tions in an aggregate amount not to exceed the  
16 amount of such distribution to an eligible retire-  
17 ment plan of which such individual is a bene-  
18 ficiary and to which a rollover contribution of  
19 such distribution could be made under section  
20 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or  
21 457(e)(16), of the Internal Revenue Code of  
22 1986, as the case may be.

23 (B) TREATMENT OF REPAYMENTS OF DIS-  
24 TRIBUTIONS FROM ELIGIBLE RETIREMENT  
25 PLANS OTHER THAN IRAS.—For purposes of

1 the Internal Revenue Code of 1986, if a con-  
2 tribution is made pursuant to subparagraph (A)  
3 with respect to a qualified disaster distribution  
4 from an eligible retirement plan other than an  
5 individual retirement plan, then the taxpayer  
6 shall, to the extent of the amount of the con-  
7 tribution, be treated as having received the  
8 qualified disaster distribution in an eligible roll-  
9 over distribution (as defined in section  
10 402(c)(4) of such Code) and as having trans-  
11 ferred the amount to the eligible retirement  
12 plan in a direct trustee to trustee transfer with-  
13 in 60 days of the distribution.

14 (C) TREATMENT OF REPAYMENTS FOR  
15 DISTRIBUTIONS FROM IRAS.—For purposes of  
16 the Internal Revenue Code of 1986, if a con-  
17 tribution is made pursuant to subparagraph (A)  
18 with respect to a qualified disaster distribution  
19 from an individual retirement plan (as defined  
20 by section 7701(a)(37) of such Code), then, to  
21 the extent of the amount of the contribution,  
22 the qualified disaster distribution shall be treat-  
23 ed as a distribution described in section  
24 408(d)(3) of such Code and as having been  
25 transferred to the eligible retirement plan in a

1 direct trustee to trustee transfer within 60 days  
2 of the distribution.

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

5 (A) QUALIFIED DISASTER DISTRIBUTION.—Except as provided in paragraph (2),  
6 the term “qualified disaster distribution”  
7 means—  
8

9 (i) any distribution from an eligible  
10 retirement plan made on or after Sep-  
11 tember 7, 2018, and before January 1,  
12 2020, to an individual whose principal  
13 place of abode on September 7, 2018, is lo-  
14 cated in the Hurricane Florence disaster  
15 area and who has sustained an economic  
16 loss by reason of Hurricane Florence,

17 (ii) any distribution from an eligible  
18 retirement plan made on or after October  
19 7, 2018, and before January 1, 2020, to  
20 an individual whose principal place of  
21 abode on October 7, 2018, is located in the  
22 Hurricane Michael disaster area and who  
23 has sustained an economic loss by reason  
24 of Hurricane Michael,



1 (iii) any distribution from an eligible  
2 retirement plan made on or after July 23,  
3 2018, and before January 1, 2020, to an  
4 individual whose principal place of abode  
5 during any portion of the period from July  
6 23, 2018, to September 19, 2018, is lo-  
7 cated in the Mendocino and Carr wildfire  
8 disaster area and who has sustained an  
9 economic loss by reason of the wildfires to  
10 which the declaration of such area relates,  
11 and

12 (iv) any distribution from an eligible  
13 retirement plan made on or after Novem-  
14 ber 8, 2018, and before January 1, 2020,  
15 to an individual whose principal place of  
16 abode during any portion of the period  
17 from November 8, 2018, to December 15,  
18 2018, is located in the Camp, Woolsey, and  
19 Hill wildfire disaster area and who has  
20 sustained an economic loss by reason of  
21 the wildfires to which the declaration of  
22 such area relates.

23 (B) ELIGIBLE RETIREMENT PLAN.—The  
24 term “eligible retirement plan” shall have the  
25 meaning given such term by section

1           402(c)(8)(B) of the Internal Revenue Code of  
2           1986.

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

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

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

16          (6) SPECIAL RULES.—

17                   (A) EXEMPTION OF DISTRIBUTIONS FROM  
18          TRUSTEE TO TRUSTEE TRANSFER AND WITH-  
19          HOLDING RULES.—For purposes of sections  
20          401(a)(31), 402(f), and 3405 of the Internal  
21          Revenue Code of 1986, qualified disaster dis-  
22          tributions shall not be treated as eligible roll-  
23          over distributions.

24                   (B) QUALIFIED DISASTER DISTRIBUTIONS  
25          TREATED AS MEETING PLAN DISTRIBUTION RE-

1           REQUIREMENTS.—For purposes the Internal Rev-  
2           enue Code of 1986, a qualified disaster dis-  
3           tribution shall be treated as meeting the re-  
4           quirements of sections 401(k)(2)(B)(i),  
5           403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A)  
6           of such Code.

7           (b) RECONTRIBUTIONS OF WITHDRAWALS FOR  
8 HOME PURCHASES.—

9           (1) RECONTRIBUTIONS.—

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

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

1           (2) QUALIFIED DISTRIBUTION.—For purposes  
2 of this subsection—

3           (A) IN GENERAL.—The term “qualified  
4 distribution” means any qualified Florence dis-  
5 tribution, any qualified Michael distribution,  
6 any qualified Mendocino and Carr distribution,  
7 and any qualified Camp, Woolsey, and Hill dis-  
8 tribution.

9           (B) QUALIFIED FLORENCE DISTRIBUTION.—The term “qualified Florence distribu-  
10 tion” means any distribution—  
11

12           (i) described in section  
13 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but  
14 only to the extent such distribution relates  
15 to financial hardship), 403(b)(11)(B), or  
16 72(t)(2)(F), of the Internal Revenue Code  
17 of 1986,

18           (ii) received after February 28, 2018,  
19 and before November 8, 2018, and

20           (iii) which was to be used to purchase  
21 or construct a principal residence in the  
22 Hurricane Florence disaster area, but  
23 which was not so purchased or constructed  
24 on account of Hurricane Florence.

1 (C) QUALIFIED MICHAEL DISTRIBUTION.—

2 The term “qualified Michael distribution”  
3 means any distribution—

4 (i) described in section  
5 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but  
6 only to the extent such distribution relates  
7 to financial hardship), 403(b)(11)(B), or  
8 72(t)(2)(F), of the Internal Revenue Code  
9 of 1986,

10 (ii) received after February 28, 2018,  
11 and before November 23, 2018, and

12 (iii) which was to be used to purchase  
13 or construct a principal residence in the  
14 Hurricane Michael disaster area, but which  
15 was not so purchased or constructed on ac-  
16 count of Hurricane Michael.

17 (D) QUALIFIED MENDOCINO AND CARR

18 DISTRIBUTION.—The term “qualified  
19 Mendocino and Carr distribution” means any  
20 distribution—

21 (i) described in section  
22 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but  
23 only to the extent such distribution relates  
24 to financial hardship), 403(b)(11)(B), or

1 72(t)(2)(F), of the Internal Revenue Code  
2 of 1986,

3 (ii) received after February 28, 2018,  
4 and before October 19, 2018, and

5 (iii) which was to be used to purchase  
6 or construct a principal residence in the  
7 Mendocino and Carr wildfire disaster area,  
8 but which was not so purchased or con-  
9 structed on account of the wildfires to  
10 which the declaration of such area relates.

11 (E) QUALIFIED CAMP, WOOLSEY, AND  
12 HILL DISTRIBUTION.—The term “qualified  
13 Camp, Woolsey, and Hill distribution” means  
14 any distribution—

15 (i) described in section  
16 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but  
17 only to the extent such distribution relates  
18 to financial hardship), 403(b)(11)(B), or  
19 72(t)(2)(F), of the Internal Revenue Code  
20 of 1986,

21 (ii) received after February 28, 2018,  
22 and before December 30, 2018, and

23 (iii) which was to be used to purchase  
24 or construct a principal residence in the  
25 Camp, Woolsey, and Hill wildfire disaster

1 area, but which was not so purchased or  
2 constructed on account of the wildfires to  
3 which the declaration of such area relates.

4 (3) APPLICABLE PERIOD.—For purposes of this  
5 subsection, the term “applicable period” means—

6 (A) with respect to any qualified Florence  
7 distribution, the period beginning on September  
8 7, 2018, and ending on February 28, 2019,

9 (B) with respect to any qualified Michael  
10 distribution, the period beginning on October 7,  
11 2018, and ending on February 28, 2019,

12 (C) with respect to any qualified  
13 Mendocino and Carr distribution, the period be-  
14 ginning on July 23, 2018, and ending on Feb-  
15 ruary 28, 2019, and

16 (D) with respect to any qualified Camp,  
17 Woolsey, and Hill distribution, the period begin-  
18 ning on November 8, 2018, and ending on Feb-  
19 ruary 28, 2019.

20 (c) LOANS FROM QUALIFIED PLANS.—

21 (1) INCREASE IN LIMIT ON LOANS NOT TREAT-  
22 ED AS DISTRIBUTIONS.—In the case of any loan  
23 from a qualified employer plan (as defined under  
24 section 72(p)(4) of the Internal Revenue Code of  
25 1986) to a qualified individual made during the pe-

1       riod beginning on the date of the enactment of this  
2       Act and ending on December 31, 2019—

3               (A) clause (i) of section 72(p)(2)(A) of  
4       such Code shall be applied by substituting  
5       “\$100,000” for “\$50,000”, and

6               (B) clause (ii) of such section shall be ap-  
7       plied by substituting “the present value of the  
8       nonforfeitable accrued benefit of the employee  
9       under the plan” for “one-half of the present  
10       value of the nonforfeitable accrued benefit of  
11       the employee under the plan”.

12       (2) DELAY OF REPAYMENT.—In the case of a  
13       qualified individual with an outstanding loan on or  
14       after the qualified beginning date from a qualified  
15       employer plan (as defined in section 72(p)(4) of the  
16       Internal Revenue Code of 1986)—

17               (A) if the due date pursuant to subpara-  
18       graph (B) or (C) of section 72(p)(2) of such  
19       Code for any repayment with respect to such  
20       loan occurs during the period beginning on the  
21       qualified beginning date and ending on Decem-  
22       ber 31, 2019, such due date shall be delayed for  
23       1 year,

24               (B) any subsequent repayments with re-  
25       spect to any such loan shall be appropriately



1 adjusted to reflect the delay in the due date  
2 under paragraph (1) and any interest accruing  
3 during such delay, and

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

9 (3) QUALIFIED INDIVIDUAL.—For purposes of  
10 this subsection—

11 (A) IN GENERAL.—The term “qualified in-  
12 dividual” means any qualified Hurricane Flor-  
13 ence individual, any qualified Hurricane Mi-  
14 chael individual, any qualified Mendocino and  
15 Carr individual, and any qualified Camp, Wool-  
16 sey, and Hill individual.

17 (B) QUALIFIED HURRICANE FLORENCE IN-  
18 DIVIDUAL.—The term “qualified Hurricane  
19 Florence individual” means any individual  
20 whose principal place of abode on September 7,  
21 2018, is located in the Hurricane Florence dis-  
22 aster area and who has sustained an economic  
23 loss by reason of Hurricane Florence.

24 (C) QUALIFIED HURRICANE MICHAEL IN-  
25 DIVIDUAL.—The term “qualified Hurricane Mi-

1        chael individual” means any individual whose  
2        principal place of abode on October 7, 2018, is  
3        located in the Hurricane Michael disaster area  
4        and who has sustained an economic loss by rea-  
5        son of Hurricane Michael.

6                (D) QUALIFIED MENDOCINO AND CARR IN-  
7        DIVIDUAL.—The term “qualified Mendocino  
8        and Carr individual” means any individual  
9        whose principal place of abode during any por-  
10       tion of the period from July 23, 2018, to Sep-  
11       tember 19, 2018, is located in the Mendocino  
12       and Carr wildfire disaster area and who has  
13       sustained an economic loss by reason of  
14       wildfires to which the declaration of such area  
15       relates.

16               (E) QUALIFIED CAMP, WOOLSEY, AND  
17        HILL INDIVIDUAL.—The term “qualified Camp,  
18        Woolsey, and Hill individual” means any indi-  
19       vidual whose principal place of abode during  
20       any portion of the period from November 8,  
21       2018, to December 15, 2018, is located in the  
22       Camp, Woolsey, and Hill wildfire disaster area  
23       and who has sustained an economic loss by rea-  
24       son of wildfires to which the declaration of such  
25       area relates.

1           (4) QUALIFIED BEGINNING DATE.—For pur-  
2 poses of this subsection—

3           (A) HURRICANE FLORENCE.—In the case  
4 of any qualified Florence individual, the quali-  
5 fied beginning date is September 7, 2018.

6           (B) HURRICANE MICHAEL.—In the case of  
7 any qualified Michael individual, the qualified  
8 beginning date is October 7, 2018.

9           (C) MENDOCINO AND CARR WILDFIRE.—In  
10 the case of any qualified Mendocino and Carr  
11 individual, the qualified beginning date is July  
12 23, 2018.

13           (D) CAMP, WOOLSEY, AND HILL WILD-  
14 FIRE.—In the case of any qualified Camp,  
15 Woolsey, and Hill individual, the qualified be-  
16 ginning date is November 8, 2018.

17       (d) PROVISIONS RELATING TO PLAN AMEND-  
18 MENTS.—

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

24           (2) AMENDMENTS TO WHICH SUBSECTION AP-  
25 PLIES.—

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

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

9 (ii) on or before the last day of the  
10 first plan year beginning on or after Janu-  
11 ary 1, 2020, or such later date as the Sec-  
12 retary may prescribe.

13 In the case of a governmental plan (as defined  
14 in section 414(d) of the Internal Revenue Code  
15 of 1986), clause (ii) shall be applied by sub-  
16 stituting the date which is 2 years after the  
17 date otherwise applied under clause (ii).

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

20 (i) during the period—

21 (I) beginning on the date that  
22 this section or the regulation de-  
23 scribed in subparagraph (A)(i) takes  
24 effect (or in the case of a plan or con-  
25 tract amendment not required by this

1 section or such regulation, the effective date specified by the plan), and  
2  
3 (II) ending on the date described  
4 in subparagraph (A)(ii) (or, if earlier,  
5 the date the plan or contract amendment is adopted),  
6  
7 the plan or contract is operated as if such plan  
8 or contract amendment were in effect, and  
9 (ii) such plan or contract amendment  
10 applies retroactively for such period.

11 **SEC. 4. EMPLOYMENT RELIEF.**

12 (a) **EMPLOYEE RETENTION CREDIT FOR EMPLOYERS**  
13 **AFFECTED BY HURRICANE FLORENCE.—**

14 (1) **IN GENERAL.—**For purposes of section 38  
15 of the Internal Revenue Code of 1986, in the case  
16 of an eligible employer, the Hurricane Florence employee retention credit shall be treated as a credit  
17 listed in subsection (b) of such section. For purposes  
18 of this subsection, the Hurricane Florence employee retention credit for any taxable year is an amount  
19 equal to 40 percent of the qualified wages with respect to each eligible employee of such employer for  
20 such taxable year. For purposes of the preceding  
21 sentence, the amount of qualified wages which may  
22  
23  
24

1 be taken into account with respect to any individual  
2 shall not exceed \$6,000.

3 (2) DEFINITIONS.—For purposes of this sub-  
4 section—

5 (A) ELIGIBLE EMPLOYER.—The term “eli-  
6 gible employer” means any employer—

7 (i) which conducted an active trade or  
8 business on September 7, 2018, in the  
9 Hurricane Florence disaster zone, and

10 (ii) with respect to whom the trade or  
11 business described in clause (i) is inoper-  
12 able on any day after September 7, 2018,  
13 and before January 1, 2019, as a result of  
14 damage sustained by reason of Hurricane  
15 Florence.

16 (B) ELIGIBLE EMPLOYEE.—The term “eli-  
17 gible employee” means with respect to an eligi-  
18 ble employer an employee whose principal place  
19 of employment on September 7, 2018, with  
20 such eligible employer was in the Hurricane  
21 Florence disaster zone.

22 (C) QUALIFIED WAGES.—The term “quali-  
23 fied wages” means wages (as defined in section  
24 51(c)(1) of the Internal Revenue Code of 1986,  
25 but without regard to section 3306(b)(2)(B) of

1 such Code) paid or incurred by an eligible em-  
2 ployer with respect to an eligible employee on  
3 any day after September 7, 2018, and before  
4 January 1, 2019, which occurs during the pe-  
5 riod—

6 (i) beginning on the date on which the  
7 trade or business described in subpara-  
8 graph (A) first became inoperable at the  
9 principal place of employment of the em-  
10 ployee immediately before Hurricane Flor-  
11 ence, and

12 (ii) ending on the date on which such  
13 trade or business has resumed significant  
14 operations at such principal place of em-  
15 ployment.

16 Such term shall include wages paid without re-  
17 gard to whether the employee performs no serv-  
18 ices, performs services at a different place of  
19 employment than such principal place of em-  
20 ployment, or performs services at such principal  
21 place of employment before significant oper-  
22 ations have resumed.

23 (3) CERTAIN RULES TO APPLY.—For purposes  
24 of this subsection, rules similar to the rules of sec-

1 tions 51(i)(1), 52, and 280C(a), of the Internal Rev-  
2 enue Code of 1986, shall apply.

3 (4) EMPLOYEE NOT TAKEN INTO ACCOUNT  
4 MORE THAN ONCE.—An employee shall not be treat-  
5 ed as an eligible employee for purposes of this sub-  
6 section for any period with respect to any employer  
7 if such employer is allowed a credit under section 51  
8 of the Internal Revenue Code of 1986 with respect  
9 to such employee for such period.

10 (b) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS  
11 AFFECTED BY HURRICANE MICHAEL.—

12 (1) IN GENERAL.—For purposes of section 38  
13 of the Internal Revenue Code of 1986, in the case  
14 of an eligible employer, the Hurricane Michael em-  
15 ployee retention credit shall be treated as a credit  
16 listed in subsection (b) of such section. For purposes  
17 of this subsection, the Hurricane Michael employee  
18 retention credit for any taxable year is an amount  
19 equal to 40 percent of the qualified wages with re-  
20 spect to each eligible employee of such employer for  
21 such taxable year. For purposes of the preceding  
22 sentence, the amount of qualified wages which may  
23 be taken into account with respect to any individual  
24 shall not exceed \$6,000.



1           (2) DEFINITIONS.—For purposes of this sub-  
2 section—

3           (A) ELIGIBLE EMPLOYER.—The term “eli-  
4 gible employer” means any employer—

5           (i) which conducted an active trade or  
6 business on October 7, 2018, in the Hurri-  
7 cane Michael disaster zone, and

8           (ii) with respect to whom the trade or  
9 business described in clause (i) is inoper-  
10 able on any day after October 7, 2018, and  
11 before January 1, 2019, as a result of  
12 damage sustained by reason of Hurricane  
13 Michael.

14           (B) ELIGIBLE EMPLOYEE.—The term “eli-  
15 gible employee” means with respect to an eligi-  
16 ble employer an employee whose principal place  
17 of employment on October 7, 2018, with such  
18 eligible employer was in the Hurricane Michael  
19 disaster zone.

20           (C) QUALIFIED WAGES.—The term “quali-  
21 fied wages” means wages (as defined in section  
22 51(c)(1) of the Internal Revenue Code of 1986,  
23 but without regard to section 3306(b)(2)(B) of  
24 such Code) paid or incurred by an eligible em-  
25 ployer with respect to an eligible employee on

1 any day after October 7, 2018, and before Jan-  
2 uary 1, 2019, which occurs during the period—

3 (i) beginning on the date on which the  
4 trade or business described in subpara-  
5 graph (A) first became inoperable at the  
6 principal place of employment of the em-  
7 ployee immediately before Hurricane Mi-  
8 chael, and

9 (ii) ending on the date on which such  
10 trade or business has resumed significant  
11 operations at such principal place of em-  
12 ployment.

13 Such term shall include wages paid without re-  
14 gard to whether the employee performs no serv-  
15 ices, performs services at a different place of  
16 employment than such principal place of em-  
17 ployment, or performs services at such principal  
18 place of employment before significant oper-  
19 ations have resumed.

20 (3) CERTAIN RULES TO APPLY.—For purposes  
21 of this subsection, rules similar to the rules of sec-  
22 tions 51(i)(1), 52, and 280C(a), of the Internal Rev-  
23 enue Code of 1986, shall apply.

24 (4) EMPLOYEE NOT TAKEN INTO ACCOUNT  
25 MORE THAN ONCE.—An employee shall not be treat-

1 ed as an eligible employee for purposes of this sub-  
2 section for any period with respect to any employer  
3 if such employer is allowed a credit under section 51  
4 of the Internal Revenue Code of 1986 with respect  
5 to such employee for such period.

6 (c) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS  
7 AFFECTED BY MENDOCINO AND CARR WILDFIRES.—

8 (1) IN GENERAL.—For purposes of section 38  
9 of the Internal Revenue Code of 1986, in the case  
10 of an eligible employer, the Mendocino and Carr  
11 wildfire employee retention credit shall be treated as  
12 a credit listed in subsection (b) of such section. For  
13 purposes of this subsection, the Mendocino and Carr  
14 wildfire employee retention credit for any taxable  
15 year is an amount equal to 40 percent of the quali-  
16 fied wages with respect to each eligible employee of  
17 such employer for such taxable year. For purposes  
18 of the preceding sentence, the amount of qualified  
19 wages which may be taken into account with respect  
20 to any individual shall not exceed \$6,000.

21 (2) DEFINITIONS.—For purposes of this sub-  
22 section—

23 (A) ELIGIBLE EMPLOYER.—The term “eli-  
24 gible employer” means any employer—

1 (i) which conducted an active trade or  
2 business for any portion of the period from  
3 July 23, 2018, to September 19, 2018, in  
4 the Mendocino and Carr wildfire disaster  
5 zone, and

6 (ii) with respect to whom the trade or  
7 business described in clause (i) is inoper-  
8 able on any day after July 23, 2018, and  
9 before January 1, 2019, as a result of  
10 damage sustained by reason of the  
11 wildfires to which the declaration of the  
12 Mendocino and Carr wildfire disaster area  
13 relates.

14 (B) ELIGIBLE EMPLOYEE.—The term “eli-  
15 gible employee” means with respect to an eligi-  
16 ble employer an employee whose principal place  
17 of employment for any portion of the period  
18 from July 23, 2018, to September 19, 2018,  
19 with such eligible employer was in the  
20 Mendocino and Carr wildfire disaster zone.

21 (C) QUALIFIED WAGES.—The term “quali-  
22 fied wages” means wages (as defined in section  
23 51(c)(1) of the Internal Revenue Code of 1986,  
24 but without regard to section 3306(b)(2)(B) of  
25 such Code) paid or incurred by an eligible em-

1            employer with respect to an eligible employee on  
2            any day after July 23, 2018, and before Janu-  
3            ary 1, 2019, which occurs during the period—

4                    (i) beginning on the date on which the  
5                    trade or business described in subpara-  
6                    graph (A) first became inoperable at the  
7                    principal place of employment of the em-  
8                    ployee immediately before the wildfires to  
9                    which the declaration of the Mendocino  
10                   and Carr wildfire disaster area relates, and

11                   (ii) ending on the date on which such  
12                   trade or business has resumed significant  
13                   operations at such principal place of em-  
14                   ployment.

15            Such term shall include wages paid without re-  
16            gard to whether the employee performs no serv-  
17            ices, performs services at a different place of  
18            employment than such principal place of em-  
19            ployment, or performs services at such principal  
20            place of employment before significant oper-  
21            ations have resumed.

22            (3) CERTAIN RULES TO APPLY.—For purposes  
23            of this subsection, rules similar to the rules of sec-  
24            tions 51(i)(1), 52, and 280C(a), of the Internal Rev-  
25            enue Code of 1986, shall apply.

1           (4) EMPLOYEE NOT TAKEN INTO ACCOUNT  
2 MORE THAN ONCE.—An employee shall not be treat-  
3 ed as an eligible employee for purposes of this sub-  
4 section for any period with respect to any employer  
5 if such employer is allowed a credit under section 51  
6 of the Internal Revenue Code of 1986 with respect  
7 to such employee for such period.

8           (d) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS  
9 AFFECTED BY CAMP, WOOLSEY, AND HILL  
10 WILDFIRES.—

11           (1) IN GENERAL.—For purposes of section 38  
12 of the Internal Revenue Code of 1986, in the case  
13 of an eligible employer, the Camp, Woolsey, and Hill  
14 wildfire employee retention credit shall be treated as  
15 a credit listed in subsection (b) of such section. For  
16 purposes of this subsection, the Camp, Woolsey, and  
17 Hill wildfire employee retention credit for any tax-  
18 able year is an amount equal to 40 percent of the  
19 qualified wages with respect to each eligible em-  
20 ployee of such employer for such taxable year. For  
21 purposes of the preceding sentence, the amount of  
22 qualified wages which may be taken into account  
23 with respect to any individual shall not exceed  
24 \$6,000.

1           (2) DEFINITIONS.—For purposes of this sub-  
2 section—

3           (A) ELIGIBLE EMPLOYER.—The term “eli-  
4 gible employer” means any employer—

5           (i) which conducted an active trade or  
6 business for any portion of the period from  
7 November 8, 2018, to December 15, 2018,  
8 in the Camp, Woolsey, and Hill wildfire  
9 disaster zone, and

10           (ii) with respect to whom the trade or  
11 business described in clause (i) is inoper-  
12 able on any day after November 8, 2018,  
13 and before January 1, 2019, as a result of  
14 damage sustained by reason of the  
15 wildfires to which the declaration of the  
16 Camp, Woolsey, and Hill wildfire disaster  
17 area relates.

18           (B) ELIGIBLE EMPLOYEE.—The term “eli-  
19 gible employee” means with respect to an eligi-  
20 ble employer an employee whose principal place  
21 of employment for any portion of the period  
22 from November 8, 2018, to December 15, 2018,  
23 with such eligible employer was in the Camp,  
24 Woolsey, and Hill wildfire disaster zone.

1 (C) QUALIFIED WAGES.—The term “quali-  
2 fied wages” means wages (as defined in section  
3 51(c)(1) of the Internal Revenue Code of 1986,  
4 but without regard to section 3306(b)(2)(B) of  
5 such Code) paid or incurred by an eligible em-  
6 ployer with respect to an eligible employee on  
7 any day after November 8, 2018, and before  
8 January 1, 2019, which occurs during the pe-  
9 riod—

10 (i) beginning on the date on which the  
11 trade or business described in subpara-  
12 graph (A) first became inoperable at the  
13 principal place of employment of the em-  
14 ployee immediately before the wildfires to  
15 which the declaration of the Camp, Wool-  
16 sey, and Hill wildfire disaster area relates,  
17 and

18 (ii) ending on the date on which such  
19 trade or business has resumed significant  
20 operations at such principal place of em-  
21 ployment.

22 Such term shall include wages paid without re-  
23 gard to whether the employee performs no serv-  
24 ices, performs services at a different place of  
25 employment than such principal place of em-



1           ployment, or performs services at such principal  
2           place of employment before significant oper-  
3           ations have resumed.

4           (3) CERTAIN RULES TO APPLY.—For purposes  
5           of this subsection, rules similar to the rules of sec-  
6           tions 51(i)(1), 52, and 280C(a), of the Internal Rev-  
7           enue Code of 1986, shall apply.

8           (4) EMPLOYEE NOT TAKEN INTO ACCOUNT  
9           MORE THAN ONCE.—An employee shall not be treat-  
10          ed as an eligible employee for purposes of this sub-  
11          section for any period with respect to any employer  
12          if such employer is allowed a credit under section 51  
13          of the Internal Revenue Code of 1986 with respect  
14          to such employee for such period.

15 **SEC. 5. ADDITIONAL DISASTER-RELATED TAX RELIEF PRO-**  
16 **VISIONS.**

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

19           (1) IN GENERAL.—Except as otherwise pro-  
20          vided in paragraph (2), subsection (b) of section 170  
21          of the Internal Revenue Code of 1986 shall not  
22          apply to qualified contributions and such contribu-  
23          tions shall not be taken into account for purposes of  
24          applying subsections (b) and (d) of such section to  
25          other contributions.

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

4                   (A) INDIVIDUALS.—In the case of an indi-  
5           vidual—

6                           (i) LIMITATION.—Any qualified con-  
7                           tribution shall be allowed only to the ex-  
8                           tent that the aggregate of such contribu-  
9                           tions does not exceed the excess of the tax-  
10                          payer's contribution base (as defined in  
11                          subparagraph (H) of section 170(b)(1) of  
12                          such Code) over the amount of all other  
13                          charitable contributions allowed under sec-  
14                          tion 170(b)(1) of such Code.

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

24                          (B) CORPORATIONS.—In the case of a cor-  
25           poration—

1 (i) LIMITATION.—Any qualified con-  
2 tribution shall be allowed only to the ex-  
3 tent that the aggregate of such contribu-  
4 tions does not exceed the excess of the tax-  
5 payer’s taxable income (as determined  
6 under paragraph (2) of section 170(b) of  
7 such Code) over the amount of all other  
8 charitable contributions allowed under such  
9 paragraph.

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

13 (3) QUALIFIED CONTRIBUTIONS.—

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

19 (i) such contribution—

20 (I) is paid during the period be-  
21 ginning on July 23, 2018, and ending  
22 on December 31, 2018, in cash to an  
23 organization described in section  
24 170(b)(1)(A) of such Code, and

1 (II) is made for relief efforts in  
2 the Hurricane Florence disaster area,  
3 the Hurricane Michael disaster area,  
4 the Mendocino and Carr wildfire dis-  
5 aster area, or the Camp, Woolsey, and  
6 Hill wildfire disaster area,

7 (ii) the taxpayer obtains from such or-  
8 ganization contemporaneous written ac-  
9 knowledgment (within the meaning of sec-  
10 tion 170(f)(8) of such Code) that such con-  
11 tribution was used (or is to be used) for  
12 relief efforts described in clause (i)(II),  
13 and

14 (iii) the taxpayer has elected the ap-  
15 plication of this subsection with respect to  
16 such contribution.

17 (B) EXCEPTION.—Such term shall not in-  
18 clude a contribution by a donor if the contribu-  
19 tion is—

20 (i) to an organization described in sec-  
21 tion 509(a)(3) of the Internal Revenue  
22 Code of 1986, or

23 (ii) for the establishment of a new, or  
24 maintenance of an existing, donor advised

1 fund (as defined in section 4966(d)(2) of  
2 such Code).

3 (C) APPLICATION OF ELECTION TO PART-  
4 NERSHIPS AND S CORPORATIONS.—In the case  
5 of a partnership or S corporation, the election  
6 under subparagraph (A)(iii) shall be made sepa-  
7 rately by each partner or shareholder.

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

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

12 (A) the amount determined under section  
13 165(h)(2)(A)(ii) of the Internal Revenue Code  
14 of 1986 shall be equal to the sum of—

15 (i) such net disaster loss, and

16 (ii) so much of the excess referred to  
17 in the matter preceding clause (i) of sec-  
18 tion 165(h)(2)(A) of such Code (reduced  
19 by the amount in clause (i) of this sub-  
20 paragraph) as exceeds 10 percent of the  
21 adjusted gross income of the individual,

22 (B) section 165(h)(1) of such Code shall  
23 be applied by substituting “\$500” for “\$500  
24 (\$100 for taxable years beginning after Decem-  
25 ber 31, 2009)”,

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

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

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

14 (3) QUALIFIED DISASTER-RELATED PERSONAL  
15 CASUALTY LOSSES.—For purposes of this sub-  
16 section, the term “qualified disaster-related personal  
17 casualty losses” means—

18 (A) losses described in section 165(c)(3) of  
19 the Internal Revenue Code of 1986 which arise  
20 in the Hurricane Florence disaster area on or  
21 after September 7, 2018, and which are attrib-  
22 utable to Hurricane Florence,

23 (B) losses described in section 165(c)(3) of  
24 the Internal Revenue Code of 1986 which arise  
25 in the Hurricane Michael disaster area on or

1 after October 7, 2018, and which are attrib-  
2 utable to Hurricane Michael,

3 (C) losses described in section 165(c)(3) of  
4 the Internal Revenue Code of 1986 which arise  
5 in the Mendocino and Carr wildfire disaster  
6 area on or after July 23, 2018, and which are  
7 attributable to the wildfires to which the dec-  
8 laration of such area relates, and

9 (D) losses described in section 165(c)(3) of  
10 the Internal Revenue Code of 1986 which arise  
11 in the Camp, Woolsey, and Hill wildfire disaster  
12 area on or after November 8, 2018, and which  
13 are attributable to the wildfires to which the  
14 declaration of such area relates.

15 (c) SPECIAL RULE FOR DETERMINING EARNED IN-  
16 COME.—

17 (1) IN GENERAL.—In the case of a qualified in-  
18 dividual, if the earned income of the taxpayer for the  
19 applicable taxable year is less than the earned in-  
20 come of the taxpayer for the preceding taxable year,  
21 the credits allowed under sections 24(d) and 32 of  
22 the Internal Revenue Code of 1986 may, at the elec-  
23 tion of the taxpayer, be determined by sub-  
24 stituting—

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

3 (B) such earned income for the applicable  
4 taxable year.

5 (2) QUALIFIED INDIVIDUAL.—For purposes of  
6 this subsection—

7 (A) IN GENERAL.—The term “qualified in-  
8 dividual” means any qualified Hurricane Flor-  
9 ence individual, any qualified Hurricane Mi-  
10 chael individual, any qualified Mendocino and  
11 Carr individual, and any qualified Camp, Wool-  
12 sey, and Hill individual.

13 (B) QUALIFIED HURRICANE FLORENCE IN-  
14 DIVIDUAL.—The term “qualified Hurricane  
15 Florence individual” means any individual  
16 whose principal place of abode on September 7,  
17 2018, was located—

18 (i) in the Hurricane Florence disaster  
19 zone, or

20 (ii) in the Hurricane Florence disaster  
21 area (but outside the Hurricane Florence  
22 disaster zone) and such individual was dis-  
23 placed from such principal place of abode  
24 by reason of Hurricane Florence.



1 (C) QUALIFIED HURRICANE MICHAEL IN-  
2 DIVIDUAL.—The term “qualified Hurricane Mi-  
3 chael individual” means any individual whose  
4 principal place of abode on October 7, 2018,  
5 was located—

6 (i) in the Hurricane Michael disaster  
7 zone, or

8 (ii) in the Hurricane Michael disaster  
9 area (but outside the Hurricane Michael  
10 disaster zone) and such individual was dis-  
11 placed from such principal place of abode  
12 by reason of Hurricane Michael.

13 (D) QUALIFIED MENDOCINO AND CARR IN-  
14 DIVIDUAL.—The term “qualified Mendocino  
15 and Carr individual” means any individual  
16 whose principal place of abode during any por-  
17 tion of the period from July 23, 2018, to Sep-  
18 tember 19, 2018, was located—

19 (i) in the Mendocino and Carr wildfire  
20 disaster zone, or

21 (ii) in the Mendocino and Carr wild-  
22 fire disaster area (but outside the  
23 Mendocino and Carr wildfire disaster zone)  
24 and such individual was displaced from  
25 such principal place of abode by reason of

1           the wildfires to which the declaration of  
2           such area relates.

3           (E) QUALIFIED CAMP, WOOLSEY, AND  
4           HILL INDIVIDUAL.—The term “qualified Camp,  
5           Woolsey, and Hill individual” means any indi-  
6           vidual whose principal place of abode during  
7           any portion of the period from November 8,  
8           2018, to December 15, 2018, was located—

9                   (i) in the Camp, Woolsey, and Hill  
10                  wildfire disaster zone, or

11                   (ii) in the Camp, Woolsey, and Hill  
12                  wildfire disaster area (but outside the  
13                  Camp, Woolsey, and Hill disaster zone)  
14                  and such individual was displaced from  
15                  such principal place of abode by reason of  
16                  the wildfires to which the declaration of  
17                  such area relates.

18           (3) APPLICABLE TAXABLE YEAR.—The term  
19           “applicable taxable year” means the taxable year  
20           which includes—

21                   (A) in the case of a qualified Hurricane  
22                  Florence individual, September 7, 2018,

23                   (B) in the case of a qualified Hurricane  
24                  Michael individual, October 7, 2018,

1 (C) in the case of a qualified Mendocino  
2 and Carr individual, any portion of the period  
3 from July 23, 2018, to September 19, 2018,  
4 and

5 (D) in the case of a qualified Camp, Wool-  
6 sey, and Hill individual, any portion of the pe-  
7 riod from November 8, 2018, to December 15,  
8 2018.

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

13 (5) SPECIAL RULES.—

14 (A) APPLICATION TO JOINT RETURNS.—  
15 For purposes of paragraph (1), in the case of  
16 a joint return for an applicable taxable year—

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

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

23 (B) UNIFORM APPLICATION OF ELEC-  
24 TION.—Any election made under paragraph (1)

1 shall apply with respect to both sections 24(d)  
2 and 32, of the Internal Revenue Code of 1986.

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

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

○