

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 3301
OFFERED BY MR. NEAL OF MASSACHUSETTS**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE; ETC.

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “Taxpayer Certainty and Disaster Tax Relief Act of
4 2019”.

5 (b) **TABLE OF CONTENTS.**—The table of contents for
6 this Act is as follows:

Sec. 1. Short title; etc.

TITLE I—EXTENSION OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Tax Relief and Support for Families and Individuals

Sec. 101. Exclusion from gross income of discharge of qualified principal residence indebtedness.

Sec. 102. Treatment of mortgage insurance premiums as qualified residence interest.

Sec. 103. Reduction in medical expense deduction floor.

Sec. 104. Deduction of qualified tuition and related expenses.

Sec. 105. Black lung disability trust fund excise tax.

**Subtitle B—Incentives for Employment, Economic Growth, and Community
Development**

Sec. 111. Indian employment credit.

Sec. 112. Railroad track maintenance credit.

Sec. 113. Mine rescue team training credit.

Sec. 114. 7-year recovery period for motorsports entertainment complexes.

Sec. 115. Accelerated depreciation for business property on Indian reservations.

Sec. 116. Expensing rules for certain productions.

Sec. 117. Empowerment zone tax incentives.

Sec. 118. American Samoa economic development credit.

Subtitle C—Incentives for Energy Production, Efficiency, and Green Economy Jobs

- Sec. 121. Biodiesel and renewable diesel.
- Sec. 122. Second generation biofuel producer credit.
- Sec. 123. Nonbusiness energy property.
- Sec. 124. Qualified fuel cell motor vehicles.
- Sec. 125. Alternative fuel refueling property credit.
- Sec. 126. 2-wheeled plug-in electric vehicle credit.
- Sec. 127. Credit for electricity produced from certain renewable resources.
- Sec. 128. Production credit for Indian coal facilities.
- Sec. 129. Energy efficient homes credit.
- Sec. 130. Special allowance for second generation biofuel plant property.
- Sec. 131. Energy efficient commercial buildings deduction.
- Sec. 132. Special rule for sales or dispositions to implement FERC or State electric restructuring policy for qualified electric utilities.
- Sec. 133. Extension and clarification of excise tax credits relating to alternative fuels.
- Sec. 134. Oil spill liability trust fund rate.

Subtitle D—Certain Provisions Expiring at the End of 2019

- Sec. 141. New markets tax credit.
- Sec. 142. Employer credit for paid family and medical leave.
- Sec. 143. Work opportunity credit.
- Sec. 144. Certain provisions related to beer, wine, and distilled spirits.
- Sec. 145. Look-thru rule for related controlled foreign corporations.
- Sec. 146. Credit for health insurance costs of eligible individuals.

TITLE II—ESTATE AND GIFT TAX

- Sec. 201. Reduction of unified credit against estate tax.

TITLE III—DISASTER TAX RELIEF

- Sec. 301. Definitions.
- Sec. 302. Special disaster-related rules for use of retirement funds.
- Sec. 303. Employee retention credit for employers affected by qualified disasters.
- Sec. 304. Other disaster-related tax relief provisions.
- Sec. 305. Automatic extension of filing deadlines in case of certain taxpayers affected by Federally declared disasters.
- Sec. 306. Modification of the tax rate for the excise tax on investment income of private foundations.
- Sec. 307. Additional low-income housing credit allocations for qualified 2017 and 2018 California disaster areas.
- Sec. 308. Treatment of certain possessions.

1 (c) AMENDMENT OF 1986 CODE.—Except as other-
2 wise expressly provided, whenever in this Act an amend-
3 ment or repeal is expressed in terms of an amendment
4 to, or repeal of, a section or other provision, the reference

1 shall be considered to be made to a section or other provi-
2 sion of the Internal Revenue Code of 1986.

3 **TITLE I—EXTENSION OF**
4 **CERTAIN EXPIRING PROVISIONS**
5 **Subtitle A—Tax Relief and Support**
6 **for Families and Individuals**

7 **SEC. 101. EXCLUSION FROM GROSS INCOME OF DISCHARGE**
8 **OF QUALIFIED PRINCIPAL RESIDENCE IN-**
9 **DEBTEDNESS.**

10 (a) **IN GENERAL.**—Section 108(a)(1)(E) is amended
11 by striking “January 1, 2018” each place it appears and
12 inserting “January 1, 2021”.

13 (b) **CONFORMING AMENDMENT.**—Section 108(h)(2)
14 is amended by inserting “and determined without regard
15 to the substitution described in section
16 163(h)(3)(F)(i)(II)” after “clause (ii) thereof”.

17 (c) **EFFECTIVE DATE.**—The amendments made by
18 this section shall apply to discharges of indebtedness after
19 December 31, 2017.

20 **SEC. 102. TREATMENT OF MORTGAGE INSURANCE PRE-**
21 **MIUMS AS QUALIFIED RESIDENCE INTEREST.**

22 (a) **IN GENERAL.**—Section 163(h)(3)(E)(iv)(I) is
23 amended by striking “December 31, 2017” and inserting
24 “December 31, 2020”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to amounts paid or incurred after
3 December 31, 2017.

4 **SEC. 103. REDUCTION IN MEDICAL EXPENSE DEDUCTION**
5 **FLOOR.**

6 (a) IN GENERAL.—Section 213(f) is amended to read
7 as follows:

8 “(f) TEMPORARY SPECIAL RULE.—In the case of tax-
9 able years beginning before January 1, 2021, subsection
10 (a) shall be applied with respect to a taxpayer by sub-
11 stituting ‘7.5 percent’ for ‘10 percent.’”.

12 (b) ALTERNATIVE MINIMUM TAX.—Section 56(b)(1)
13 is amended by striking subparagraph (B) and by redesignig-
14 nating subparagraphs (C), (D), (E), and (F), as subpara-
15 graphs (B), (C), (D), and (E), respectively.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years ending after De-
18 cember 31, 2018.

19 **SEC. 104. DEDUCTION OF QUALIFIED TUITION AND RE-**
20 **LATED EXPENSES.**

21 (a) IN GENERAL.—Section 222(e) is amended by
22 striking “December 31, 2017” and inserting “December
23 31, 2020”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to taxable years beginning after
3 December 31, 2017.

4 **SEC. 105. BLACK LUNG DISABILITY TRUST FUND EXCISE**
5 **TAX.**

6 (a) IN GENERAL.—Section 4121(e)(2)(A) is amended
7 by striking “December 31, 2018” and inserting “Decem-
8 ber 31, 2020”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 this section shall apply on and after the first day of the
11 first calendar month beginning after the date of the enact-
12 ment of this Act.

13 **Subtitle B—Incentives for Employ-**
14 **ment, Economic Growth, and**
15 **Community Development**

16 **SEC. 111. INDIAN EMPLOYMENT CREDIT.**

17 (a) IN GENERAL.—Section 45A(f) is amended by
18 striking “December 31, 2017” and inserting “December
19 31, 2020”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section shall apply to taxable years beginning after
22 December 31, 2017.

1 **SEC. 112. RAILROAD TRACK MAINTENANCE CREDIT.**

2 (a) IN GENERAL.—Section 45G(f) is amended by
3 striking “January 1, 2018” and inserting “January 1,
4 2021”.

5 (b) SAFE HARBOR ASSIGNMENTS.—Any assignment,
6 including related expenditures paid or incurred, under sec-
7 tion 45G(b)(2) of the Internal Revenue Code of 1986 for
8 a taxable year beginning on or after January 1, 2018, and
9 before January 1, 2019, shall be treated as effective as
10 of the close of such taxable year if made pursuant to a
11 written agreement entered into no later than 90 days fol-
12 lowing the date of the enactment of this Act.

13 (c) EFFECTIVE DATE.—The amendment made by
14 this section shall apply to expenditures paid or incurred
15 during taxable years beginning after December 31, 2017.

16 **SEC. 113. MINE RESCUE TEAM TRAINING CREDIT.**

17 (a) IN GENERAL.—Section 45N(e) is amended by
18 striking “December 31, 2017” and inserting “December
19 31, 2020”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section shall apply to taxable years beginning after
22 December 31, 2017.

1 **SEC. 114. 7-YEAR RECOVERY PERIOD FOR MOTORSPORTS**
2 **ENTERTAINMENT COMPLEXES.**

3 (a) IN GENERAL.—Section 168(i)(15)(D) is amended
4 by striking “December 31, 2017” and inserting “Decem-
5 ber 31, 2020”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 this section shall apply to property placed in service after
8 December 31, 2017.

9 **SEC. 115. ACCELERATED DEPRECIATION FOR BUSINESS**
10 **PROPERTY ON INDIAN RESERVATIONS.**

11 (a) IN GENERAL.—Section 168(j)(9) is amended by
12 striking “December 31, 2017” and inserting “December
13 31, 2020”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 this section shall apply to property placed in service after
16 December 31, 2017.

17 **SEC. 116. EXPENSING RULES FOR CERTAIN PRODUCTIONS.**

18 (a) IN GENERAL.—Section 181(g) is amended by
19 striking “December 31, 2017” and inserting “December
20 31, 2020”.

21 (b) EFFECTIVE DATE.—The amendment made by
22 this section shall apply to productions commencing after
23 December 31, 2017.

1 **SEC. 117. EMPOWERMENT ZONE TAX INCENTIVES.**

2 (a) IN GENERAL.—Section 1391(d)(1)(A)(i) is
3 amended by striking “December 31, 2017” and inserting
4 “December 31, 2020”.

5 (b) TREATMENT OF CERTAIN TERMINATION DATES
6 SPECIFIED IN NOMINATIONS.—In the case of a designa-
7 tion of an empowerment zone the nomination for which
8 included a termination date which is contemporaneous
9 with the date specified in subparagraph (A)(i) of section
10 1391(d)(1) of the Internal Revenue Code of 1986 (as in
11 effect before the enactment of this Act), subparagraph (B)
12 of such section shall not apply with respect to such des-
13 ignation if, after the date of the enactment of this section,
14 the entity which made such nomination amends the nomi-
15 nation to provide for a new termination date in such man-
16 ner as the Secretary of the Treasury (or the Secretary’s
17 designee) may provide.

18 (c) EFFECTIVE DATE.—The amendment made by
19 subsection (a) shall apply to taxable years beginning after
20 December 31, 2017.

21 **SEC. 118. AMERICAN SAMOA ECONOMIC DEVELOPMENT**
22 **CREDIT.**

23 (a) IN GENERAL.—Section 119(d) of division A of
24 the Tax Relief and Health Care Act of 2006 is amended—

25 (1) by striking “January 1, 2018” each place
26 it appears and inserting “January 1, 2021”,

1 (2) by striking “first 12 taxable years” in para-
2 graph (1) and inserting “first 15 taxable years”,

3 (3) by striking “first 6 taxable years” in para-
4 graph (2) and inserting “first 9 taxable years”, and

5 (4) by adding at the end the following flush
6 sentence:

7 “In the case of a corporation described in subsection
8 (a)(2), the Internal Revenue Code of 1986 shall be applied
9 and administered without regard to the amendments made
10 by section 401(d)(1) of the Tax Technical Corrections Act
11 of 2018.”.

12 (b) CONFORMING AMENDMENT.—Section 119(e) of
13 division A of the Tax Relief and Health Care Act of 2006
14 is amended by inserting “(as in effect before its repeal)”
15 after “section 199 of the Internal Revenue Code of 1986”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning after
18 December 31, 2017.

19 **Subtitle C—Incentives for Energy**
20 **Production, Efficiency, and**
21 **Green Economy Jobs**

22 **SEC. 121. BIODIESEL AND RENEWABLE DIESEL.**

23 (a) INCOME TAX CREDIT.—

1 (1) IN GENERAL.—Section 40A(g) is amended
2 by striking “December 31, 2017” and inserting
3 “December 31, 2020”.

4 (2) EFFECTIVE DATE.—The amendment made
5 by this subsection shall apply to fuel sold or used
6 after December 31, 2017.

7 (b) EXCISE TAX INCENTIVES.—

8 (1) TERMINATION.—

9 (A) IN GENERAL.—Section 6426(e)(6) is
10 amended by striking “December 31, 2017” and
11 inserting “December 31, 2020”.

12 (B) PAYMENTS.—Section 6427(e)(6)(B) is
13 amended by striking “December 31, 2017” and
14 inserting “December 31, 2020”.

15 (2) EFFECTIVE DATE.—The amendments made
16 by this subsection shall apply to fuel sold or used
17 after December 31, 2017.

18 (3) SPECIAL RULE.—Notwithstanding any other
19 provision of law, in the case of any biodiesel mixture
20 credit properly determined under section 6426(e) of
21 the Internal Revenue Code of 1986 for the period
22 beginning on January 1, 2018, and ending with the
23 close of the last calendar quarter beginning before
24 the date of the enactment of this Act, such credit
25 shall be allowed, and any refund or payment attrib-

1 utable to such credit (including any payment under
2 section 6427(e) of such Code) shall be made, only in
3 such manner as the Secretary of the Treasury (or
4 the Secretary's delegate) shall provide. Such Sec-
5 retary shall issue guidance within 30 days after the
6 date of the enactment of this Act providing for a
7 one-time submission of claims covering periods de-
8 scribed in the preceding sentence. Such guidance
9 shall provide for a 180-day period for the submission
10 of such claims (in such manner as prescribed by
11 such Secretary) to begin not later than 30 days after
12 such guidance is issued. Such claims shall be paid
13 by such Secretary not later than 60 days after re-
14 ceipt. If such Secretary has not paid pursuant to a
15 claim filed under this subsection within 60 days
16 after the date of the filing of such claim, the claim
17 shall be paid with interest from such date deter-
18 mined by using the overpayment rate and method
19 under section 6621 of such Code.

20 **SEC. 122. SECOND GENERATION BIOFUEL PRODUCER**
21 **CREDIT.**

22 (a) IN GENERAL.—Section 40(b)(6)(J)(i) is amended
23 by striking “January 1, 2018” and inserting “January 1,
24 2021”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to qualified second generation
3 biofuel production after December 31, 2017.

4 **SEC. 123. NONBUSINESS ENERGY PROPERTY.**

5 (a) IN GENERAL.—Section 25C(g)(2) is amended by
6 striking “December 31, 2017” and inserting “December
7 31, 2020”.

8 (b) TECHNICAL AMENDMENT.—Section 25C(d)(3) is
9 amended—

10 (1) by striking “an energy factor of at least
11 2.0” in subparagraph (A) and inserting “a Uniform
12 Energy Factor of at least 2.2”, and

13 (2) by striking “an energy factor” in subpara-
14 graph (D) and inserting “a Uniform Energy Fac-
15 tor”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to property placed in service after
18 December 31, 2017.

19 **SEC. 124. QUALIFIED FUEL CELL MOTOR VEHICLES.**

20 (a) IN GENERAL.—Section 30B(k)(1) is amended by
21 striking “December 31, 2017” and inserting “December
22 31, 2020”.

23 (b) EFFECTIVE DATE.—The amendment made by
24 this section shall apply to property purchased after De-
25 cember 31, 2017.

1 **SEC. 125. ALTERNATIVE FUEL REFUELING PROPERTY**
2 **CREDIT.**

3 (a) IN GENERAL.—Section 30C(g) is amended by
4 striking “December 31, 2017” and inserting “December
5 31, 2020”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 this section shall apply to property placed in service after
8 December 31, 2017.

9 **SEC. 126. 2-WHEELED PLUG-IN ELECTRIC VEHICLE CREDIT.**

10 (a) IN GENERAL.—Section 30D(g)(3)(E)(ii) is
11 amended by striking “January 1, 2018” and inserting
12 “January 1, 2021”.

13 (b) EFFECTIVE DATE.—The amendment made by
14 this section shall apply to vehicles acquired after Decem-
15 ber 31, 2017.

16 **SEC. 127. CREDIT FOR ELECTRICITY PRODUCED FROM**
17 **CERTAIN RENEWABLE RESOURCES.**

18 (a) IN GENERAL.—The following provisions of sec-
19 tion 45(d) are each amended by striking “January 1,
20 2018” each place it appears and inserting “January 1,
21 2021”:

- 22 (1) Paragraph (2)(A).
23 (2) Paragraph (3)(A).
24 (3) Paragraph (4)(B).
25 (4) Paragraph (6).
26 (5) Paragraph (7).

1 (6) Paragraph (9).

2 (7) Paragraph (11)(B).

3 (b) EXTENSION OF ELECTION TO TREAT QUALIFIED
4 FACILITIES AS ENERGY PROPERTY.—Section
5 48(a)(5)(C)(ii) is amended by striking “January 1, 2018
6 (January 1, 2020, in the case of any facility which is de-
7 scribed in paragraph (1) of section 45(d))” and inserting
8 “January 1, 2021”.

9 (c) APPLICATION OF EXTENSION TO WIND FACILI-
10 TIES.—

11 (1) IN GENERAL.—Section 45(d)(1) is amended
12 by striking “January 1, 2020” and inserting “Janu-
13 ary 1, 2021”.

14 (2) APPLICATION OF PHASEOUT PERCENT-
15 AGE.—Sections 45(b)(5)(C) and 48(a)(5)(E)(iii) are
16 each amended by striking “and before January 1,
17 2020,”.

18 (d) EFFECTIVE DATE.—The amendments made by
19 this section shall take effect on January 1, 2018.

20 **SEC. 128. PRODUCTION CREDIT FOR INDIAN COAL FACILI-**
21 **TIES.**

22 (a) IN GENERAL.—Section 45(e)(10)(A) is amended
23 by striking “12-year period” each place it appears and in-
24 serting “15-year period”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to coal produced after December
3 31, 2017.

4 **SEC. 129. ENERGY EFFICIENT HOMES CREDIT.**

5 (a) IN GENERAL.—Section 45L(g) is amended by
6 striking “December 31, 2017” and inserting “December
7 31, 2020”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall apply to homes acquired after December
10 31, 2017.

11 **SEC. 130. SPECIAL ALLOWANCE FOR SECOND GENERATION**
12 **BIOFUEL PLANT PROPERTY.**

13 (a) IN GENERAL.—Section 168(l)(2)(D) is amended
14 by striking “January 1, 2018” and inserting “January 1,
15 2021”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 this section shall apply to property placed in service after
18 December 31, 2017.

19 **SEC. 131. ENERGY EFFICIENT COMMERCIAL BUILDINGS DE-**
20 **DUCTION.**

21 (a) IN GENERAL.—Section 179D(h) is amended by
22 striking “December 31, 2017” and inserting “December
23 31, 2020”.

1 (b) EFFECTIVE DATES.—The amendment made by
2 subsection (a) shall apply to property placed in service
3 after December 31, 2017.

4 **SEC. 132. SPECIAL RULE FOR SALES OR DISPOSITIONS TO**
5 **IMPLEMENT FERC OR STATE ELECTRIC RE-**
6 **STRUCTURING POLICY FOR QUALIFIED ELEC-**
7 **TRIC UTILITIES.**

8 (a) IN GENERAL.—Section 451(k)(3) is amended by
9 striking “January 1, 2018” and inserting “January 1,
10 2021”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 this section shall apply to dispositions after December 31,
13 2017.

14 **SEC. 133. EXTENSION AND CLARIFICATION OF EXCISE TAX**
15 **CREDITS RELATING TO ALTERNATIVE FUELS.**

16 (a) EXTENSION.—

17 (1) IN GENERAL.—Sections 6426(d)(5) and
18 6426(e)(3) are each amended by striking “December
19 31, 2017” and inserting “December 31, 2020”.

20 (2) OUTLAY PAYMENTS FOR ALTERNATIVE
21 FUELS.—Section 6427(e)(6)(C) is amended by strik-
22 ing “December 31, 2017” and inserting “December
23 31, 2020”.

24 (3) SPECIAL RULE.—Notwithstanding any other
25 provision of law, in the case of any alternative fuel

1 credit properly determined under section 6426(d) of
2 the Internal Revenue Code of 1986 for the period
3 beginning on January 1, 2018, and ending with the
4 close of the last calendar quarter beginning before
5 the date of the enactment of this Act, such credit
6 shall be allowed, and any refund or payment attrib-
7 utable to such credit (including any payment under
8 section 6427(e) of such Code) shall be made, only in
9 such manner as the Secretary of the Treasury (or
10 the Secretary's delegate) shall provide. Such Sec-
11 retary shall issue guidance within 30 days after the
12 date of the enactment of this Act providing for a
13 one-time submission of claims covering periods de-
14 scribed in the preceding sentence. Such guidance
15 shall provide for a 180-day period for the submission
16 of such claims (in such manner as prescribed by
17 such Secretary) to begin not later than 30 days after
18 such guidance is issued. Such claims shall be paid
19 by such Secretary not later than 60 days after re-
20 ceipt. If such Secretary has not paid pursuant to a
21 claim filed under this subsection within 60 days
22 after the date of the filing of such claim, the claim
23 shall be paid with interest from such date deter-
24 mined by using the overpayment rate and method
25 under section 6621 of such Code.

1 (4) **EFFECTIVE DATE.**—The amendments made
2 by this subsection shall apply to fuel sold or used
3 after December 31, 2017.

4 (b) **CLARIFICATION OF RULES REGARDING ALTERNATIVE FUEL MIXTURE CREDIT.**—

6 (1) **IN GENERAL.**—Paragraph (2) of section
7 6426(e) is amended by striking “mixture of alter-
8 native fuel” and inserting “mixture of alternative
9 fuel (other than a fuel described in subparagraph
10 (A), (C), or (F) of subsection (d)(2))”.

11 (2) **EFFECTIVE DATE.**—The amendment made
12 by this section shall apply to—

13 (A) fuel sold or used on or after the date
14 of the enactment of this Act, and

15 (B) fuel sold or used before such date of
16 enactment, but only to the extent that credits
17 and claims of credit under section 6426(e) of
18 the Internal Revenue Code of 1986 with respect
19 to such sale or use have not been paid or al-
20 lowed as of such date.

21 **SEC. 134. OIL SPILL LIABILITY TRUST FUND RATE.**

22 (a) **IN GENERAL.**—Section 4611(f)(2) is amended by
23 striking “December 31, 2018” and inserting “December
24 31, 2020”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply on and after the first day of the
3 first calendar month beginning after the date of the enact-
4 ment of this Act.

5 **Subtitle D—Certain Provisions**
6 **Expiring at the End of 2019**

7 **SEC. 141. NEW MARKETS TAX CREDIT.**

8 (a) IN GENERAL.—Section 45D(f)(1) is amended by
9 striking “and” at the end of subparagraph (F), by striking
10 the period at the end of subparagraph (G) and inserting
11 “, and”, and by adding at the end the following new sub-
12 paragraph:

13 “(H) \$5,000,000,000 for 2020.”.

14 (b) CARRYOVER OF UNUSED LIMITATION.—Section
15 45D(f)(3) is amended by striking “2024” and inserting
16 “2025”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to calendar years beginning after
19 December 31, 2019.

20 **SEC. 142. EMPLOYER CREDIT FOR PAID FAMILY AND MED-**
21 **ICAL LEAVE.**

22 (a) IN GENERAL.—Section 45S(i) is amended by
23 striking “December 31, 2019” and inserting “December
24 31, 2020”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to wages paid in taxable years be-
3 ginning after December 31, 2019.

4 **SEC. 143. WORK OPPORTUNITY CREDIT.**

5 (a) IN GENERAL.—Section 51(c)(4) is amended by
6 striking “December 31, 2019” and inserting “December
7 31, 2020”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall apply to individuals who begin work for
10 the employer after December 31, 2019.

11 **SEC. 144. CERTAIN PROVISIONS RELATED TO BEER, WINE,**
12 **AND DISTILLED SPIRITS.**

13 (a) EXEMPTION FOR AGING PROCESS OF BEER,
14 WINE, AND DISTILLED SPIRITS.—

15 (1) IN GENERAL.—Section 263A(f)(4)(B) is
16 amended by striking “December 31, 2019” and in-
17 serting “December 31, 2020”.

18 (2) EFFECTIVE DATE.—The amendment made
19 by this subsection shall apply to interest costs paid
20 or accrued after December 31, 2019.

21 (b) REDUCED RATE OF EXCISE TAX ON BEER.—

22 (1) IN GENERAL.—Paragraphs (1)(C) and
23 (2)(A) of section 5051(a) are each amended by
24 striking “January 1, 2020” and inserting “January
25 1, 2021”.

1 (2) EFFECTIVE DATE.—The amendments made
2 by this subsection shall apply to beer removed after
3 December 31, 2019.

4 (c) TRANSFER OF BEER BETWEEN BONDED FACILI-
5 TIES.—

6 (1) IN GENERAL.—Section 5414(b)(3) is
7 amended by striking “December 31, 2019” and in-
8 serting “December 31, 2020”.

9 (2) EFFECTIVE DATE.—The amendment made
10 by this subsection shall apply to calendar quarters
11 beginning after December 31, 2019.

12 (d) REDUCED RATE OF EXCISE TAX ON CERTAIN
13 WINE.—

14 (1) IN GENERAL.—Section 5041(c)(8)(A) is
15 amended by striking “January 1, 2020” and insert-
16 ing “January 1, 2021”.

17 (2) CONFORMING AMENDMENT.—The heading
18 of section 5041(c)(8) is amended by striking “SPE-
19 CIAL RULE FOR 2018 AND 2019” and inserting
20 “TEMPORARY SPECIAL RULE”.

21 (3) EFFECTIVE DATE.—The amendments made
22 by this subsection shall apply to wine removed after
23 December 31, 2019.

24 (e) ADJUSTMENT OF ALCOHOL CONTENT LEVEL FOR
25 APPLICATION OF EXCISE TAXES.—

1 (1) IN GENERAL.—Paragraphs (1) and (2) of
2 section 5041(b) are each amended by striking “Jan-
3 uary 1, 2020” and inserting “January 1, 2021”.

4 (2) EFFECTIVE DATE.—The amendments made
5 by this subsection shall apply to wine removed after
6 December 31, 2019.

7 (f) DEFINITION OF MEAD AND LOW ALCOHOL BY
8 VOLUME WINE.—

9 (1) IN GENERAL.—Section 5041(h)(3) is
10 amended by striking “December 31, 2019” and in-
11 serting “December 31, 2020”.

12 (2) EFFECTIVE DATE.—The amendment made
13 by this subsection shall apply to wine removed after
14 December 31, 2019.

15 (g) REDUCED RATE OF EXCISE TAX ON CERTAIN
16 DISTILLED SPIRITS.—

17 (1) IN GENERAL.—Section 5001(c)(3) is
18 amended by striking “December 31, 2019” and in-
19 serting “December 31, 2020”.

20 (2) CONFORMING AMENDMENT.—The heading
21 of section 5001(c) is amended by striking “RE-
22 DUCED RATE FOR 2018 AND 2019” and inserting
23 “TEMPORARY REDUCED RATE”.

1 (3) EFFECTIVE DATE.—The amendments made
2 by this subsection shall apply to distilled spirits re-
3 moved after December 31, 2019.

4 (h) BULK DISTILLED SPIRITS.—

5 (1) IN GENERAL.—Section 5212 is amended by
6 striking “January 1, 2020” and inserting “January
7 1, 2021”.

8 (2) EFFECTIVE DATE.—The amendment made
9 by this subsection shall apply to distilled spirits
10 transferred in bond after December 31, 2019.

11 (i) SIMPLIFICATION OF RULES REGARDING
12 RECORDS, STATEMENTS, AND RETURNS.—

13 (1) IN GENERAL.—Section 5555(a) is amended
14 by striking “January 1, 2020” and inserting “Janu-
15 ary 1, 2021”.

16 (2) EFFECTIVE DATE.—The amendment made
17 by this subsection shall apply to calendar quarters
18 beginning after December 31, 2019.

19 **SEC. 145. LOOK-THRU RULE FOR RELATED CONTROLLED**
20 **FOREIGN CORPORATIONS.**

21 (a) IN GENERAL.—Section 954(c)(6)(C) is amended
22 by striking “January 1, 2020” and inserting “January 1,
23 2021”.

24 (b) EFFECTIVE DATE.—The amendment made by
25 this section shall apply to taxable years of foreign corpora-

1 tions beginning after December 31, 2019, and to taxable
2 years of United States shareholders with or within which
3 such taxable years of foreign corporations end.

4 **SEC. 146. CREDIT FOR HEALTH INSURANCE COSTS OF ELI-**
5 **GIBLE INDIVIDUALS.**

6 (a) IN GENERAL.—Section 35(b)(1)(B) is amended
7 by striking “January 1, 2020” and inserting “January 1,
8 2021”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 this section shall apply to months beginning after Decem-
11 ber 31, 2019.

12 **TITLE II—ESTATE AND GIFT TAX**

13 **SEC. 201. REDUCTION OF UNIFIED CREDIT AGAINST ES-**
14 **TATE TAX.**

15 (a) IN GENERAL.—Section 2010(c)(3)(C) is amended
16 by striking “January 1, 2026” and inserting “January 1,
17 2023”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 this section shall apply to estates of decedents dying and
20 gifts made after December 31, 2022.

21 **TITLE III—DISASTER TAX**
22 **RELIEF**

23 **SEC. 301. DEFINITIONS.**

24 For purposes of this title—

25 (1) QUALIFIED DISASTER AREA.—

1 (A) IN GENERAL.—The term “qualified
2 disaster area” means any area with respect to
3 which a major disaster was declared, during the
4 period beginning on January 1, 2018, and end-
5 ing on the date which is 60 days after the date
6 of the enactment of this Act, by the President
7 under section 401 of the Robert T. Stafford
8 Disaster Relief and Emergency Assistance Act
9 if the incident period of the disaster with re-
10 spect to which such declaration is made begins
11 on or before the date of the enactment of this
12 Act.

13 (B) DENIAL OF DOUBLE BENEFIT.—Such
14 term shall not include the California wildfire
15 disaster area (as defined in section 20101 of
16 subdivision 2 of division B of the Bipartisan
17 Budget Act of 2018).

18 (2) QUALIFIED DISASTER ZONE.—The term
19 “qualified disaster zone” means that portion of any
20 qualified disaster area which was determined by the
21 President, during the period beginning on January
22 1, 2018, and ending on the date which is 60 days
23 after the date of the enactment of this Act, to war-
24 rant individual or individual and public assistance
25 from the Federal Government under the Robert T.

1 Stafford Disaster Relief and Emergency Assistance
2 Act by reason of the qualified disaster with respect
3 to such disaster area.

4 (3) QUALIFIED DISASTER.—The term “quali-
5 fied disaster” means, with respect to any qualified
6 disaster area, the disaster by reason of which a
7 major disaster was declared with respect to such
8 area.

9 (4) INCIDENT PERIOD.—The term “incident pe-
10 riod” means, with respect to any qualified disaster,
11 the period specified by the Federal Emergency Man-
12 agement Agency as the period during which such
13 disaster occurred (except that for purposes of this
14 title such period shall not be treated as beginning
15 before January 1, 2018, or ending after the date
16 which is 30 days after the date of the enactment of
17 this Act).

18 **SEC. 302. 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 made
8 with respect to each qualified disaster.

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 1 or more contributions
15 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 OF DIS-
15 TRIBUTIONS FROM IRAS.—For purposes of the
16 Internal Revenue Code of 1986, if a contribu-
17 tion 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” means
7 any distribution from an eligible retirement
8 plan made—
9

10 (i) on or after the first day of the in-
11 cident period of a qualified disaster and
12 before the date which is 180 days after the
13 date of the enactment of this Act, and

14 (ii) to an individual whose principal
15 place of abode at any time during the inci-
16 dent period of such qualified disaster is lo-
17 cated in the qualified disaster area with re-
18 spect to such qualified disaster and who
19 has sustained an economic loss by reason
20 of such qualified disaster.

21 (B) ELIGIBLE RETIREMENT PLAN.—The
22 term “eligible retirement plan” shall have the
23 meaning given such term by section
24 402(c)(8)(B) of the Internal Revenue Code of
25 1986.

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

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

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

14 (6) SPECIAL RULES.—

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

22 (B) QUALIFIED DISASTER DISTRIBUTIONS
23 TREATED AS MEETING PLAN DISTRIBUTION RE-
24 QUIREMENTS.—For purposes the Internal Rev-
25 enue Code of 1986, a qualified disaster dis-

1 tribution shall be treated as meeting the re-
2 quirements of sections 401(k)(2)(B)(i),
3 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A)
4 of such Code.

5 (b) RECONTRIBUTIONS OF WITHDRAWALS FOR
6 HOME PURCHASES.—

7 (1) RECONTRIBUTIONS.—

8 (A) IN GENERAL.—Any individual who re-
9 ceived a qualified distribution may, during the
10 applicable period, make 1 or more contributions
11 in an aggregate amount not to exceed the
12 amount of such qualified distribution to an eli-
13 gible retirement plan (as defined in section
14 402(c)(8)(B) of the Internal Revenue Code of
15 1986) of which such individual is a beneficiary
16 and to which a rollover contribution of such dis-
17 tribution could be made under section 402(c),
18 403(a)(4), 403(b)(8), or 408(d)(3), of such
19 Code, as the case may be.

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

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

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

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

14 (C) which was received during the period
15 beginning on the date which is 180 days before
16 the first day of the incident period of such
17 qualified disaster and ending on the date which
18 is 30 days after the last day of such incident
19 period.

20 (3) APPLICABLE PERIOD.—For purposes of this
21 subsection, the term “applicable period” means, in
22 the case of a principal residence in a qualified dis-
23 aster area with respect to any qualified disaster, the
24 period beginning on the first day of the incident pe-
25 riod of such qualified disaster and ending on the

1 date which is 180 days after the date of the enact-
2 ment of this Act.

3 (c) LOANS FROM QUALIFIED PLANS.—

4 (1) INCREASE IN LIMIT ON LOANS NOT TREAT-
5 ED AS DISTRIBUTIONS.—In the case of any loan
6 from a qualified employer plan (as defined under
7 section 72(p)(4) of the Internal Revenue Code of
8 1986) to a qualified individual made during the 180-
9 day period beginning on the date of the enactment
10 of this Act—

11 (A) clause (i) of section 72(p)(2)(A) of
12 such Code shall be applied by substituting
13 “\$100,000” for “\$50,000”, and

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

20 (2) DELAY OF REPAYMENT.—In the case of a
21 qualified individual (with respect to any qualified
22 disaster) with an outstanding loan (on or after the
23 first day of the incident period of such qualified dis-
24 aster) from a qualified employer plan (as defined in

1 section 72(p)(4) of the Internal Revenue Code of
2 1986)—

3 (A) if the due date pursuant to subpara-
4 graph (B) or (C) of section 72(p)(2) of such
5 Code for any repayment with respect to such
6 loan occurs during the period beginning on the
7 first day of the incident period of such qualified
8 disaster and ending on the date which is 180
9 days after the last day of such incident period,
10 such due date shall be delayed for 1 year (or,
11 if later, until the date which is 180 days after
12 the date of the enactment of this Act),

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 subparagraph (A) and any interest accru-
17 ing 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 plan
23 or contract amendment were in effect, and

24 (ii) such plan or contract amendment
25 applies retroactively for such period.

1 **SEC. 303. EMPLOYEE RETENTION CREDIT FOR EMPLOYERS**
2 **AFFECTED BY QUALIFIED DISASTERS.**

3 (a) IN GENERAL.—For purposes of section 38 of the
4 Internal Revenue Code of 1986, in the case of an eligible
5 employer, the 2018 qualified disaster employee retention
6 credit shall be treated as a credit listed at the end of sub-
7 section (b) of such section. For purposes of this sub-
8 section, the 2018 qualified disaster employee retention
9 credit for any taxable year is an amount equal to 40 per-
10 cent of the qualified wages with respect to each eligible
11 employee of such employer for such taxable year. The
12 amount of qualified wages with respect to any employee
13 which may be taken into account under this subsection
14 by the employer for any taxable year shall not exceed
15 \$6,000 (reduced by the amount of qualified wages with
16 respect to such employee which may be so taken into ac-
17 count for any prior taxable year).

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

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

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

1 (B) with respect to whom the trade or
2 business described in subparagraph (A) is inop-
3 erable at any time during the period beginning
4 on the first day of the incident period of such
5 qualified disaster and ending on the date of the
6 enactment of this Act, as a result of damage
7 sustained 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 with such eligible employer (determined imme-
12 diately before the qualified disaster referred to in
13 paragraph (1)) was in the qualified disaster zone re-
14 ferred 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 on or after the date
21 on which the trade or business described in para-
22 graph (1) first became inoperable at the principal
23 place of employment of the employee (determined
24 immediately before the qualified disaster referred to
25 in such paragraph) and before the earlier of—

1 (A) the date on which such trade or busi-
2 ness has resumed significant operations at such
3 principal place of employment, or

4 (B) the date which 150 days after the last
5 day of the incident period of the qualified dis-
6 aster referred to in paragraph (1).

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. 304. OTHER DISASTER-RELATED TAX RELIEF PROVI-**
2 **SIONS.**

3 (a) TEMPORARY INCREASE IN LIMITATION ON
4 QUALIFIED CONTRIBUTIONS.—

5 (1) SUSPENSION OF CURRENT LIMITATION.—

6 Except as otherwise provided in paragraph (2),
7 qualified contributions shall be disregarded in apply-
8 ing subsections (b) and (d) of section 170 of the In-
9 ternal Revenue Code of 1986.

10 (2) APPLICATION OF INCREASED LIMITATION.—

11 For purposes of section 170 of the Internal Revenue
12 Code of 1986—

13 (A) INDIVIDUALS.—In the case of an indi-
14 vidual—

15 (i) LIMITATION.—Any qualified con-
16 tribution shall be allowed as a deduction
17 only to the extent that the aggregate of
18 such contributions does not exceed the ex-
19 cess of the taxpayer's contribution base (as
20 defined in subparagraph (H) of section
21 170(b)(1) of such Code) over the amount
22 of all other charitable contributions allowed
23 under section 170(b)(1) of such Code.

24 (ii) CARRYOVER.—If the aggregate
25 amount of qualified contributions made in
26 the contribution year (within the meaning

1 of section 170(d)(1) of such Code) exceeds
2 the limitation of clause (i), such excess
3 shall be added to the excess described in
4 section 170(b)(1)(G)(ii).

5 (B) CORPORATIONS.—In the case of a cor-
6 poration—

7 (i) LIMITATION.—Any qualified con-
8 tribution shall be allowed as a deduction
9 only to the extent that the aggregate of
10 such contributions does not exceed the ex-
11 cess of the taxpayer's taxable income (as
12 determined under paragraph (2) of section
13 170(b) of such Code) over the amount of
14 all other charitable contributions allowed
15 under such paragraph.

16 (ii) CARRYOVER.—If the aggregate
17 amount of qualified contributions made in
18 the contribution year (within the meaning
19 of section 170(d)(2) of such Code) exceeds
20 the limitation of clause (i), such excess
21 shall be appropriately taken into account
22 under section 170(d)(2) subject to the limi-
23 tations thereof.

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 paid, during the period be-
8 ginning on January 1, 2018, and end-
9 ing on the date which is 60 days after
10 the date of the enactment of this Act,
11 in cash to an organization described
12 in section 170(b)(1)(A) of such Code,
13 and

14 (II) is made for relief efforts in
15 one or more qualified disaster areas,

16 (ii) the taxpayer obtains from such or-
17 ganization contemporaneous written ac-
18 knowledgment (within the meaning of sec-
19 tion 170(f)(8) of such Code) that such con-
20 tribution was used (or is to be used) for
21 relief efforts described in clause (i)(II),
22 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 first day of the incident period of the qualified
4 disaster to which such area relates, and which are
5 attributable 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—

22 (A) IN GENERAL.—The term “qualified in-
23 dividual” means any individual whose principal
24 place of abode at any time during the incident
25 period of any qualified disaster was located—

1 (i) in the qualified disaster zone with
2 respect to such qualified disaster, or

3 (ii) in the qualified disaster area with
4 respect to such qualified disaster (but out-
5 side the qualified disaster zone with re-
6 spect to such qualified disaster) and such
7 individual was displaced from such prin-
8 cipal place of abode by reason of such
9 qualified disaster.

10 (B) HURRICANE SANDY.—The term
11 “qualified individual” includes any individual
12 whose principal place of abode at any time dur-
13 ing the period beginning on October 29, 2012,
14 and ending on November 3, 2012, was lo-
15 cated—

16 (i) in that portion of the area de-
17 scribed in clause (ii) which was determined
18 by the President to warrant individual or
19 individual and public assistance from the
20 Federal Government under the Robert T.
21 Stafford Disaster Relief and Emergency
22 Assistance Act by reason of Hurricane
23 Sandy, or

24 (ii) in the area with respect to which
25 a major disaster was declared by the Presi-

1 dent under section 401 of the Robert T.
2 Stafford Disaster Relief and Emergency
3 Assistance Act by reason of Hurricane
4 Sandy and such individual was displaced
5 from such principal place of abode by rea-
6 son of Hurricane Sandy.

7 (3) APPLICABLE TAXABLE YEAR.—The term
8 “applicable taxable year” means—

9 (A) in the case of a qualified individual
10 other than an individual described in subpara-
11 graph (B), any taxable year which includes any
12 portion of the incident period of the qualified
13 disaster to which the qualified disaster area re-
14 ferred to in paragraph (2)(A) relates, or

15 (B) in the case of a qualified individual de-
16 scribed in subparagraph (B) of paragraph (2),
17 any taxable year which includes any portion of
18 the period described in such subparagraph.

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

23 (5) SPECIAL RULES.—

1 (A) APPLICATION TO JOINT RETURNS.—

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

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

6 (ii) the earned income of the taxpayer
7 for the preceding taxable year shall be the
8 sum of the earned income of each spouse
9 for such preceding taxable year.

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

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

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

1 (E) EXTENSION OF PERIOD OF LIMITA-
2 TION FOR CERTAIN INDIVIDUALS AFFECTED BY
3 HURRICANE SANDY.—

4 (i) IN GENERAL.—In the case of an
5 individual described in paragraph (2)(B),
6 the period of limitation prescribed by sec-
7 tion 6511(a) of the Internal Revenue Code
8 of 1986 for any applicable taxable year
9 shall be extended until the date prescribed
10 by law (including extensions) for filing the
11 return of tax for the taxable year that in-
12 cludes the date of the enactment of this
13 Act, and section 6511(b)(2) of such Code
14 shall not apply to any claim of credit or re-
15 fund with respect to the return for such
16 applicable tax year.

17 (ii) AMENDMENTS, ETC. RESTRICTED
18 TO CHANGES TO EARNED INCOME.—Clause
19 (i) shall apply only with respect to amend-
20 ments to the return of tax, and claims for
21 credit or refund, relating to a change in
22 the earned income of the individual.

1 **SEC. 305. AUTOMATIC EXTENSION OF FILING DEADLINES**
2 **IN CASE OF CERTAIN TAXPAYERS AFFECTED**
3 **BY FEDERALLY DECLARED DISASTERS.**

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

6 “(d) MANDATORY 60-DAY EXTENSION.—

7 “(1) IN GENERAL.—In the case of any qualified
8 taxpayer, the period—

9 “(A) beginning on the earliest incident
10 date specified in the declaration to which the
11 disaster area referred to in paragraph (2) re-
12 lates, and

13 “(B) ending on the date which is 60 days
14 after the latest incident date so specified,
15 shall be disregarded in the same manner as a period
16 specified under subsection (a).

17 “(2) QUALIFIED TAXPAYER.—For purposes of
18 this subsection, the term ‘qualified taxpayer’
19 means—

20 “(A) any individual whose principal resi-
21 dence (for purposes of section 1033(h)(4)) is lo-
22 cated in a disaster area,

23 “(B) any taxpayer if the taxpayer’s prin-
24 cipal place of business (other than the business
25 of performing services as an employee) is lo-
26 cated in a disaster area,

1 “(C) any individual who is a relief worker
2 affiliated with a recognized government or phil-
3 anthropic organization and who is assisting in
4 a disaster area,

5 “(D) any taxpayer whose records necessary
6 to meet a deadline for an act described in sec-
7 tion 7508(a)(1) are maintained in a disaster
8 area,

9 “(E) any individual visiting a disaster area
10 who was killed or injured as a result of the dis-
11 aster, and

12 “(F) solely with respect to a joint return,
13 any spouse of an individual described in any
14 preceding subparagraph of this paragraph.

15 “(3) DISASTER AREA.—For purposes of this
16 subsection, the term ‘disaster area’ has the meaning
17 given such term under subparagraph (B) of section
18 165(i)(5) with respect to a Federally declared dis-
19 aster (as defined in subparagraph (A) of such sec-
20 tion).

21 “(4) APPLICATION TO RULES REGARDING PEN-
22 SIONS.—In the case of any person described in sub-
23 section (b), a rule similar to the rule of paragraph
24 (1) shall apply for purposes of subsection (b) with
25 respect to—

1 “(A) making contributions to a qualified
2 retirement plan (within the meaning of section
3 4974(c)) under section 219(f)(3), 404(a)(6),
4 404(h)(1)(B), or 404(m)(2),

5 “(B) making distributions under section
6 408(d)(4),

7 “(C) recharacterizing contributions under
8 section 408A(d)(6), and

9 “(D) making a rollover under section
10 402(c), 403(a)(4), 403(b)(8), or 408(d)(3).

11 “(5) COORDINATION WITH PERIODS SPECIFIED
12 BY THE SECRETARY.—Any period described in para-
13 graph (1) with respect to any person (including by
14 reason of the application of paragraph (4)) shall be
15 in addition to (or concurrent with, as the case may
16 be) any period specified under subsection (a) or (b)
17 with respect to such person.”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 this section shall apply to federally declared disasters de-
20 clared after the date of the enactment of this Act.

21 **SEC. 306. MODIFICATION OF THE TAX RATE FOR THE EX-**
22 **CISE TAX ON INVESTMENT INCOME OF PRI-**
23 **VATE FOUNDATIONS.**

24 (a) IN GENERAL.—Section 4940(a) is amended by
25 striking “2 percent” and inserting “1.39 percent”.

1 (b) ELIMINATION OF REDUCED TAX WHERE FOUN-
2 DATION MEETS CERTAIN DISTRIBUTION REQUIRE-
3 MENTS.—Section 4940 of such Code is amended by strik-
4 ing subsection (e).

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 the date of the enactment of this Act.

8 **SEC. 307. ADDITIONAL LOW-INCOME HOUSING CREDIT AL-**
9 **LOCATIONS FOR QUALIFIED 2017 AND 2018**
10 **CALIFORNIA DISASTER AREAS.**

11 (a) IN GENERAL.—For purposes of section 42 of the
12 Internal Revenue Code of 1986, the State housing credit
13 ceiling for California for calendar year 2019 shall be in-
14 creased by the lesser of—

15 (1) the aggregate housing credit dollar amount
16 allocated by the State housing credit agencies of
17 California for such calendar year to buildings located
18 in qualified 2017 and 2018 California disaster areas,
19 or

20 (2) 50 percent of the sum of the State housing
21 credit ceilings for California for calendar years 2017
22 and 2018.

23 (b) ALLOCATIONS TREATED AS MADE FIRST FROM
24 ADDITIONAL ALLOCATION FOR PURPOSES OF DETER-
25 MINING CARRYOVER.—For purposes of determining the

1 unused State housing credit ceiling for any calendar year
2 under section 42(h)(3)(C) of the Internal Revenue Code
3 of 1986, any increase in the State housing credit ceiling
4 under subsection (a) shall be treated as an amount de-
5 scribed in clause (ii) of such section.

6 (c) DEFINITIONS.—For purposes of this section—

7 (1) QUALIFIED 2017 AND 2018 CALIFORNIA DIS-
8 ASTER AREAS.—The term “qualified 2017 and 2018
9 California disaster areas” means any area in Cali-
10 fornia which was determined by the President (be-
11 fore January 1, 2019) to warrant individual or indi-
12 vidual and public assistance from the Federal Gov-
13 ernment under the Robert T. Stafford Disaster Re-
14 lief and Emergency Assistance Act by reason of a
15 major disaster the incident period of which begins or
16 ends in calendar year 2017 or 2018. Notwith-
17 standing section 301, for purposes of the preceding
18 sentence, the term “incident period” means the pe-
19 riod specified by the Federal Emergency Manage-
20 ment Agency as the period during which the disaster
21 occurred.

22 (2) OTHER DEFINITIONS.—Terms used in this
23 section which are also used in section 42 of the In-
24 ternal Revenue Code of 1986 shall have the same
25 meaning in this section as in such section 42.

1 **SEC. 308. TREATMENT OF CERTAIN POSSESSIONS.**

2 (a) PAYMENTS TO POSSESSIONS WITH MIRROR
3 CODE TAX SYSTEMS.—The Secretary of the Treasury
4 shall pay to each possession of the United States which
5 has a mirror code tax system amounts equal to the loss
6 (if any) to that possession by reason of the application
7 of the provisions of this title. Such amounts shall be deter-
8 mined by the Secretary of the Treasury based on informa-
9 tion provided by the government of the respective posses-
10 sion.

11 (b) PAYMENTS TO OTHER POSSESSIONS.—The Sec-
12 retary of the Treasury shall pay to each possession of the
13 United States which does not have a mirror code tax sys-
14 tem amounts estimated by the Secretary of the Treasury
15 as being equal to the aggregate benefits (if any) that
16 would have been provided to residents of such possession
17 by reason of the provisions of this title if a mirror code
18 tax system had been in effect in such possession. The pre-
19 ceding sentence shall not apply unless the respective pos-
20 session has a plan, which has been approved by the Sec-
21 retary of the Treasury, under which such possession will
22 promptly distribute such payments to its residents.

23 (c) MIRROR CODE TAX SYSTEM.—For purposes of
24 this section, the term “mirror code tax system” means,
25 with respect to any possession of the United States, the
26 income tax system of such possession if the income tax

1 liability of the residents of such possession under such sys-
2 tem is determined by reference to the income tax laws of
3 the United States as if such possession were the United
4 States.

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

