

115TH CONGRESS  
1ST SESSION

# H. R. 3823

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## AN ACT

To amend title 49, United States Code, to extend authorizations for the airport improvement program, to amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority of the Airport and Airway Trust Fund, to provide disaster tax relief, and for other purposes.

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; TABLE OF CONTENTS.**

4       (a) **SHORT TITLE.**—This Act may be cited as the  
 5       “Disaster Tax Relief and Airport and Airway Extension  
 6       Act of 2017”.

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

Sec. 1. Short title; table of contents.

**TITLE I—FEDERAL AVIATION PROGRAMS**

Sec. 101. Extension of airport improvement program.  
 Sec. 102. Extension of expiring authorities.  
 Sec. 103. Federal Aviation Administration operations.  
 Sec. 104. Small community air service.  
 Sec. 105. Air navigation facilities and equipment.  
 Sec. 106. Research, engineering, and development.  
 Sec. 107. Funding for aviation programs.

**TITLE II—AVIATION REVENUE PROVISIONS**

Sec. 201. Expenditure authority from Airport and Airway Trust Fund.  
 Sec. 202. Extension of taxes funding Airport and Airway Trust Fund.

**TITLE III—EXPIRING HEALTH PROVISIONS**

Sec. 301. Extension of certain public health programs.  
 Sec. 302. Extension of Medicare Patient IVIG Access Demonstration Project.  
 Sec. 303. Funds from the Medicare Improvement Fund.

**TITLE IV—DEVELOPMENT OF PRIVATE FLOOD INSURANCE  
 MARKET**

Sec. 401. Private flood insurance.

**TITLE V—TAX RELIEF FOR HURRICANES HARVEY, IRMA, AND  
 MARIA**

Sec. 501. Definitions.  
 Sec. 502. Special disaster-related rules for use of retirement funds.  
 Sec. 503. Disaster-related employment relief.  
 Sec. 504. Additional disaster-related tax relief provisions.  
 Sec. 505. Budgetary effects.

# **TITLE I—FEDERAL AVIATION PROGRAMS**

## **SEC. 101. EXTENSION OF AIRPORT IMPROVEMENT PRO- GRAM.**

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—Section 48103(a) of title 49, United States Code, is amended by striking the period at the end and inserting “and \$1,670,410,959 for the period beginning on October 1, 2017, and ending on March 31, 2018.”.

(2) OBLIGATION OF AMOUNTS.—Subject to limitations specified in advance in appropriations Acts, sums made available pursuant to the amendment made by paragraph (1) may be obligated at any time through September 30, 2018, and shall remain available until expended.

(3) PROGRAM IMPLEMENTATION.—For purposes of calculating funding apportionments and meeting other requirements under sections 47114, 47115, 47116, and 47117 of title 49, United States Code, for the period beginning on October 1, 2017, and ending on March 31, 2018, the Administrator of the Federal Aviation Administration shall—

(A) first calculate such funding apportionments on an annualized basis as if the total

1 amount available under section 48103 of such  
2 title for fiscal year 2018 were \$3,350,000,000;  
3 and

4 (B) then reduce by 50 percent—

5 (i) all funding apportionments cal-  
6 culated under subparagraph (A); and

7 (ii) amounts available pursuant to sec-  
8 tions 47117(b) and 47117(f)(2) of such  
9 title.

10 (b) PROJECT GRANT AUTHORITY.—Section 47104(c)  
11 of title 49, United States Code, is amended in the matter  
12 preceding paragraph (1) by striking “September 30,  
13 2017,” and inserting “March 31, 2018,”.

14 **SEC. 102. EXTENSION OF EXPIRING AUTHORITIES.**

15 (a) Section 47107(r)(3) of title 49, United States  
16 Code, is amended by striking “October 1, 2017” and in-  
17 serting “April 1, 2018”.

18 (b) Section 47114(c)(1)(F) of title 49, United States  
19 Code, is amended—

20 (1) in the subparagraph heading by striking  
21 “FOR FISCAL YEAR 2017”; and

22 (2) in the matter preceding clause (i) by strik-  
23 ing “for fiscal year 2017 an amount” and inserting  
24 “for each of fiscal years 2017 and 2018 an  
25 amount”.

1       (c) Section 47115(j) of title 49, United States Code,  
2 is amended by inserting “and for the period beginning on  
3 October 1, 2017, and ending on March 31, 2018” after  
4 “fiscal years 2012 through 2017”.

5       (d) Section 47124(b)(3)(E) of title 49, United States  
6 Code, is amended by inserting “and not more than  
7 \$5,160,822 for the period beginning on October 1, 2017,  
8 and ending on March 31, 2018,” after “fiscal years 2012  
9 through 2017”.

10       (e) Section 47141(f) of title 49, United States Code,  
11 is amended by striking “September 30, 2017” and insert-  
12 ing “March 31, 2018”.

13       (f) Section 186(d) of the Vision 100—Century of  
14 Aviation Reauthorization Act (117 Stat. 2518) is amended  
15 by inserting “and for the period beginning on October 1,  
16 2017, and ending on March 31, 2018,” after “fiscal years  
17 2012 through 2017”.

18       (g) Section 409(d) of the Vision 100—Century of  
19 Aviation Reauthorization Act (49 U.S.C. 41731 note) is  
20 amended by striking “September 30, 2017” and inserting  
21 “March 31, 2018”.

22       (h) Section 140(c)(1) of the FAA Modernization and  
23 Reform Act of 2012 (126 Stat. 28) is amended by striking  
24 “2017” and inserting “2018”.

1 (i) Section 411(h) of the FAA Modernization and Re-  
 2 form Act of 2012 (49 U.S.C. 42301 prec. note) is amend-  
 3 ed by striking “September 30, 2017” and inserting  
 4 “March 31, 2018”.

5 (j) Section 822(k) of the FAA Modernization and Re-  
 6 form Act of 2012 (49 U.S.C. 47141 note) is amended by  
 7 striking “September 30, 2017” and inserting “March 31,  
 8 2018”.

9 (k) Section 2306(b) of the FAA Extension, Safety,  
 10 and Security Act of 2016 (130 Stat. 641) is amended by  
 11 striking “October 1, 2017” and inserting “April 1, 2018”.

12 **SEC. 103. FEDERAL AVIATION ADMINISTRATION OPER-**  
 13 **ATIONS.**

14 Section 106(k) of title 49, United States Code, is  
 15 amended—

16 (1) in paragraph (1)—

17 (A) in subparagraph (D) by striking “and”  
 18 at the end;

19 (B) in subparagraph (E) by striking the  
 20 period at the end and inserting “; and”; and

21 (C) by inserting after subparagraph (E)  
 22 the following:

23 “(F) \$4,999,191,956 for the period begin-  
 24 ning on October 1, 2017, and ending on March  
 25 31, 2018.”; and

1           (2) in paragraph (3) by inserting “and for the  
2           period beginning on October 1, 2017, and ending on  
3           March 31, 2018” after “fiscal years 2012 through  
4           2017”.

5   **SEC. 104. SMALL COMMUNITY AIR SERVICE.**

6           (a) ESSENTIAL AIR SERVICE AUTHORIZATION.—Sec-  
7           tion 41742(a)(2) of title 49, United States Code, is  
8           amended by striking “and \$175,000,000 for each of fiscal  
9           years 2016 and 2017” and inserting “\$175,000,000 for  
10          each of fiscal years 2016 and 2017, and \$74,794,521 for  
11          the period beginning on October 1, 2017, and ending on  
12          March 31, 2018,”.

13          (b) AIRPORTS NOT RECEIVING SUFFICIENT SERV-  
14          ICE.—Section 41743(e)(2) of title 49, United States Code,  
15          is amended by inserting “and \$4,986,301 for the period  
16          beginning on October 1, 2017, and ending on March 31,  
17          2018,” after “fiscal years 2012 through 2017”.

18   **SEC. 105. AIR NAVIGATION FACILITIES AND EQUIPMENT.**

19          Section 48101(a) of title 49, United States Code, is  
20          amended by adding at the end the following:

21                 “(6) \$1,423,589,041 for the period beginning  
22                 on October 1, 2017, and ending on March 31,  
23                 2018.”.

1 **SEC. 106. RESEARCH, ENGINEERING, AND DEVELOPMENT.**

2 Section 48102(a) of title 49, United States Code, is  
3 amended—

4 (1) in paragraph (8) by striking “and” at the  
5 end;

6 (2) in paragraph (9) by striking the period at  
7 the end and inserting “; and”; and

8 (3) by adding at the end the following:

9 “(10) \$88,008,219 for the period beginning on  
10 October 1, 2017 and ending on March 31, 2018.”.

11 **SEC. 107. FUNDING FOR AVIATION PROGRAMS.**

12 (a) IN GENERAL.—Section 48114 of title 49, United  
13 States Code, is amended—

14 (1) in subsection (a)(2) by striking “2017” and  
15 inserting “2018”; and

16 (2) in subsection (c)(2) by striking “2017” and  
17 inserting “2018”.

18 (b) COMPLIANCE WITH FUNDING REQUIREMENTS.—

19 The budget authority authorized in this title, including the  
20 amendments made by this title, shall be deemed to satisfy  
21 the requirements of subsections (a)(1)(B) and (a)(2) of  
22 section 48114 of title 49, United States Code, for the pe-  
23 riod beginning on October 1, 2017, and ending on March  
24 31, 2018.



## **TITLE II—AVIATION REVENUE PROVISIONS**

### **SEC. 201. EXPENDITURE AUTHORITY FROM AIRPORT AND AIRWAY TRUST FUND.**

(a) IN GENERAL.—Section 9502(d)(1) of the Internal Revenue Code of 1986 is amended—

(1) in the matter preceding subparagraph (A) by striking “October 1, 2017” and inserting “April 1, 2018”; and

(2) in subparagraph (A) by striking the semicolon at the end and inserting “or the Disaster Tax Relief and Airport and Airway Extension Act of 2017;”.

(b) CONFORMING AMENDMENT.—Section 9502(e)(2) of such Code is amended by striking “October 1, 2017” and inserting “April 1, 2018”.

### **SEC. 202. EXTENSION OF TAXES FUNDING AIRPORT AND AIRWAY TRUST FUND.**

(a) FUEL TAXES.—Section 4081(d)(2)(B) of the Internal Revenue Code of 1986 is amended by striking “September 30, 2017” and inserting “March 31, 2018”.

(b) TICKET TAXES.—

(1) PERSONS.—Section 4261(k)(1)(A)(ii) of such Code is amended by striking “September 30, 2017” and inserting “March 31, 2018”.

1           (2) PROPERTY.—Section 4271(d)(1)(A)(ii) of  
 2       such Code is amended by striking “September 30,  
 3       2017” and inserting “March 31, 2018”.

4       (c) FRACTIONAL OWNERSHIP PROGRAMS.—

5           (1) TREATMENT AS NONCOMMERCIAL AVIA-  
 6       TION.—Section 4083(b) of such Code is amended by  
 7       striking “October 1, 2017” and inserting “April 1,  
 8       2018”.

9           (2) EXEMPTION FROM TICKET TAXES.—Section  
 10      4261(j) of such Code is amended by striking “Sep-  
 11      tember 30, 2017” and inserting “March 31, 2018”.

## 12       **TITLE III—EXPIRING HEALTH** 13       **PROVISIONS**

### 14       **SEC. 301. EXTENSION OF CERTAIN PUBLIC HEALTH PRO-** 15       **GRAMS.**

16       (a) EXTENSION OF PROGRAM OF PAYMENTS TO  
 17       TEACHING HEALTH CENTERS THAT OPERATE GRAD-  
 18       UATE MEDICAL EDUCATION PROGRAMS.—Section  
 19       340H(g) of the Public Health Service Act (42 U.S.C.  
 20       256h(g)) is amended—

21           (1) by striking “and \$60,000,000” and insert-  
 22       ing “, \$60,000,000”; and

23           (2) by inserting “, and \$15,000,000 for the  
 24       first quarter of fiscal year 2018” before the period  
 25       at the end.

1 (b) EXTENSION OF SPECIAL DIABETES PROGRAM  
2 FOR INDIANS.—Section 330C(c)(2) of the Public Health  
3 Service Act (42 U.S.C. 254c–3(c)(2)) is amended—

4 (1) in subparagraph (B), by striking “and” at  
5 the end;

6 (2) in subparagraph (C), by striking the period  
7 at the end and inserting “; and”; and

8 (3) by adding at the end the following new sub-  
9 paragraph:

10 “(D) \$37,500,000 for the first quarter of  
11 fiscal year 2018.”.

12 (c) TECHNICAL CORRECTIONS.—Part D of the Public  
13 Health Service Act is amended by redesignating—

14 (1) the second subpart XI (42 U.S.C. 256i; re-  
15 lating to a community-based collaborative care net-  
16 work program) as subpart XII; and

17 (2) the second section 340H (42 U.S.C. 256i)  
18 as section 340I.

19 **SEC. 302. EXTENSION OF MEDICARE PATIENT IVIG ACCESS**  
20 **DEMONSTRATION PROJECT.**

21 Section 101(b) of the Medicare IVIG Access and  
22 Strengthening Medicare and Repaying Taxpayers Act of  
23 2012 (42 U.S.C. 1395l note) is amended—

(1) in paragraph (1), by inserting after “for a period of 3 years” the following: “and, subject to the availability of funds under subsection (g)—

“(A) if the date of enactment of the Disaster Tax Relief and Airport and Airway Extension Act of 2017 is on or before September 30, 2017, for the period beginning on October 1, 2017, and ending on December 31, 2020; and

“(B) if the date of enactment of such Act is after September 30, 2017, for the period beginning on the date of enactment of such Act and ending on December 31, 2020”; and

(2) in paragraph (2), by adding at the end the following new sentences: “Subject to the preceding sentence, a Medicare beneficiary enrolled in the demonstration project on September 30, 2017, shall be automatically enrolled during the period beginning on the date of the enactment of the Disaster Tax Relief and Airport and Airway Extension Act of 2017 and ending on December 31, 2020, without submission of another application.”.

**SEC. 303. FUNDS FROM THE MEDICARE IMPROVEMENT FUND.**

Section 1898(b)(1) of the Social Security Act (42 U.S.C. 1395iii(b)(1)) is amended by striking “during and

1 after fiscal year 2021, \$270,000,000” and inserting “dur-  
 2 ing and after fiscal year 2021, \$220,000,000”.

3 **TITLE IV—DEVELOPMENT OF**  
 4 **PRIVATE FLOOD INSURANCE**  
 5 **MARKET**

6 **SEC. 401. PRIVATE FLOOD INSURANCE.**

7 (a) FLOOD INSURANCE MANDATORY PURCHASE RE-  
 8 QUIREMENT.—

9 (1) AMOUNT AND TERM OF COVERAGE.—Sec-  
 10 tion 102 of the Flood Disaster Protection Act of  
 11 1973 (42 U.S.C. 4012a) is amended by striking  
 12 “Sec. 102. (a)” and all that follows through the end  
 13 of subsection (a) and inserting the following:

14 “SEC. 102. (a) AMOUNT AND TERM OF COVERAGE.—  
 15 After the expiration of sixty days following the date of the  
 16 enactment of this Act, no Federal officer or agency shall  
 17 approve any financial assistance for acquisition or con-  
 18 struction purposes for use in any area that has been iden-  
 19 tified by the Administrator as an area having special flood  
 20 hazards and in which the sale of flood insurance has been  
 21 made available under the National Flood Insurance Act  
 22 of 1968, unless the building or mobile home and any per-  
 23 sonal property to which such financial assistance relates  
 24 is covered by flood insurance: *Provided*, That the amount  
 25 of flood insurance (1) in the case of Federal flood insur-

1   ance, is at least equal to the development or project cost  
 2   of the building, mobile home, or personal property (less  
 3   estimated land cost), the outstanding principal balance of  
 4   the loan, or the maximum limit of Federal flood insurance  
 5   coverage made available with respect to the particular type  
 6   of property, whichever is less; or (2) in the case of private  
 7   flood insurance, is at least equal to the development or  
 8   project cost of the building, mobile home, or personal  
 9   property (less estimated land cost), the outstanding prin-  
 10   cipal balance of the loan, or the maximum limit of Federal  
 11   flood insurance coverage made available with respect to  
 12   the particular type of property, whichever is less: *Provided*  
 13   *further*, That if the financial assistance provided is in the  
 14   form of a loan or an insurance or guaranty of a loan, the  
 15   amount of flood insurance required need not exceed the  
 16   outstanding principal balance of the loan and need not be  
 17   required beyond the term of the loan. The requirement  
 18   of maintaining flood insurance shall apply during the life  
 19   of the property, regardless of transfer of ownership of such  
 20   property.”.

21                   (2) REQUIREMENT FOR MORTGAGE LOANS.—

22           Subsection (b) of section 102 of the Flood Disaster  
 23           Protection Act of 1973 (42 U.S.C. 4012a(b)) is  
 24           amended—

25                   (A) by striking paragraph (7);

1 (B) by redesignating paragraph (6) as  
2 paragraph (7);

3 (C) by striking the subsection designation  
4 and all that follows through the end of para-  
5 graph (5) and inserting the following:

6 “(b) REQUIREMENT FOR MORTGAGE LOANS.—

7 “(1) REGULATED LENDING INSTITUTIONS.—

8 Each Federal entity for lending regulation (after  
9 consultation and coordination with the Financial In-  
10 stitutions Examination Council established under the  
11 Federal Financial Institutions Examination Council  
12 Act of 1974) shall by regulation direct regulated  
13 lending institutions not to make, increase, extend, or  
14 renew any loan secured by improved real estate or  
15 a mobile home located or to be located in an area  
16 that has been identified by the Administrator as an  
17 area having special flood hazards and in which flood  
18 insurance has been made available under the Na-  
19 tional Flood Insurance Act of 1968, unless the  
20 building or mobile home and any personal property  
21 securing such loan is covered for the term of the  
22 loan by flood insurance: *Provided*, That the amount  
23 of flood insurance (A) in the case of Federal flood  
24 insurance, is at least equal to the outstanding prin-  
25 cipal balance of the loan or the maximum limit of

1 Federal flood insurance coverage made available  
2 with respect to the particular type of property,  
3 whichever is less; or (B) in the case of private flood  
4 insurance, is at least equal to the outstanding prin-  
5 cipal balance of the loan or the maximum limit of  
6 Federal flood insurance coverage made available  
7 with respect to the particular type of property,  
8 whichever is less.

9 “(2) FEDERAL AGENCY LENDERS AND MORT-  
10 GAGE INSURANCE AND GUARANTEE AGENCIES.—

11 “(A) FEDERAL AGENCY LENDERS.—A  
12 Federal agency lender may not make, increase,  
13 extend, or renew any loan secured by improved  
14 real estate or a mobile home located or to be lo-  
15 cated in an area that has been identified by the  
16 Administrator as an area having special flood  
17 hazards and in which flood insurance has been  
18 made available under the National Flood Insur-  
19 ance Act of 1968, unless the building or mobile  
20 home and any personal property securing such  
21 loan is covered for the term of the loan by flood  
22 insurance in accordance with paragraph (1).  
23 Each Federal agency lender may issue any reg-  
24 ulations necessary to carry out this paragraph.  
25 Such regulations shall be consistent with and



1 substantially identical to the regulations issued  
2 under paragraph (1).

3 “(B) OTHER FEDERAL MORTGAGE ENTI-  
4 TIES.—

5 “(i) COVERAGE REQUIREMENTS.—  
6 Each covered Federal mortgage entity  
7 shall implement procedures reasonably de-  
8 signed to ensure that, for any loan that—

9 “(I) is secured by improved real  
10 estate or a mobile home located in an  
11 area that has been identified, at the  
12 time of the origination of the loan or  
13 at any time during the term of the  
14 loan, by the Administrator as an area  
15 having special flood hazards and in  
16 which flood insurance is available  
17 under the National Flood Insurance  
18 Act of 1968, and

19 “(II) is made, insured, held, or  
20 guaranteed by such entity, or backs or  
21 on which is based any trust certificate  
22 or other security for which such entity  
23 guarantees the timely payment of  
24 principal and interest,

1 the building or mobile home and any per-  
2 sonal property securing the loan is covered  
3 for the term of the loan by flood insurance  
4 in the amount provided in paragraph (1).

5 “(ii) DEFINITION.—For purposes of  
6 this subparagraph, the term ‘covered Fed-  
7 eral mortgage entity’ means—

8 “(I) the Secretary of Housing  
9 and Urban Development, with respect  
10 to mortgages insured under the Na-  
11 tional Housing Act;

12 “(II) the Secretary of Agri-  
13 culture, with respect to loans made,  
14 insured, or guaranteed under title V  
15 of the Housing Act of 1949; and

16 “(III) the Government National  
17 Mortgage Association.

18 “(C) REQUIREMENT TO ACCEPT FLOOD IN-  
19 SURANCE.—Each Federal agency lender and  
20 each covered Federal mortgage entity shall ac-  
21 cept flood insurance as satisfaction of the flood  
22 insurance coverage requirement under subpara-  
23 graph (A) or (B), respectively, if the flood in-  
24 surance coverage meets the requirements for  
25 coverage under such subparagraph and the re-

1           quirements relating to financial strength issued  
2           pursuant to paragraph (4).

3           “(3) GOVERNMENT-SPONSORED ENTERPRISES  
4           FOR HOUSING.—The Federal National Mortgage As-  
5           sociation and the Federal Home Loan Mortgage  
6           Corporation shall implement procedures reasonably  
7           designed to ensure that, for any loan that is—

8                   “(A) secured by improved real estate or a  
9                   mobile home located in an area that has been  
10                  identified, at the time of the origination of the  
11                  loan or at any time during the term of the loan,  
12                  by the Administrator as an area having special  
13                  flood hazards and in which flood insurance is  
14                  available under the National Flood Insurance  
15                  Act of 1968, and

16                   “(B) purchased or guaranteed by such en-  
17                  tity,

18           the building or mobile home and any personal prop-  
19           erty securing the loan is covered for the term of the  
20           loan by flood insurance in the amount provided in  
21           paragraph (1). The Federal National Mortgage As-  
22           sociation and the Federal Home Loan Mortgage  
23           Corporation shall accept flood insurance as satisfac-  
24           tion of the flood insurance coverage requirement  
25           under paragraph (1) if the flood insurance coverage

1 provided meets the requirements for coverage under  
2 that paragraph and the requirements relating to fi-  
3 nancial strength issued pursuant to paragraph (4).

4 “(4) REQUIREMENTS REGARDING FINANCIAL  
5 STRENGTH.—The Director of the Federal Housing  
6 Finance Agency, in consultation with the Federal  
7 National Mortgage Association, the Federal Home  
8 Loan Mortgage Corporation, the Secretary of Hous-  
9 ing and Urban Development, the Government Na-  
10 tional Mortgage Association, and the Secretary of  
11 Agriculture shall develop and implement require-  
12 ments relating to the financial strength of private  
13 insurance companies from which such entities and  
14 agencies will accept private flood insurance, provided  
15 that such requirements shall not affect or conflict  
16 with any State law, regulation, or procedure con-  
17 cerning the regulation of the business of insurance.

18 “(5) APPLICABILITY.—

19 “(A) EXISTING COVERAGE.—Except as  
20 provided in subparagraph (B), paragraph (1)  
21 shall apply on the date of enactment of the Rie-  
22 gle Community Development and Regulatory  
23 Improvement Act of 1994.

24 “(B) NEW COVERAGE.—Paragraphs (2)  
25 and (3) shall apply only with respect to any

1 loan made, increased, extended, or renewed  
2 after the expiration of the 1-year period begin-  
3 ning on the date of enactment of the Riegle  
4 Community Development and Regulatory Im-  
5 provement Act of 1994. Paragraph (1) shall  
6 apply with respect to any loan made, increased,  
7 extended, or renewed by any lender supervised  
8 by the Farm Credit Administration only after  
9 the expiration of the period under this subpara-  
10 graph.

11 “(C) CONTINUED EFFECT OF REGULA-  
12 TIONS.—Notwithstanding any other provision of  
13 this subsection, the regulations to carry out  
14 paragraph (1), as in effect immediately before  
15 the date of enactment of the Riegle Community  
16 Development and Regulatory Improvement Act  
17 of 1994, shall continue to apply until the regu-  
18 lations issued to carry out paragraph (1) as  
19 amended by section 522(a) of such Act take ef-  
20 fect.

21 “(6) RULE OF CONSTRUCTION.—Except as oth-  
22 erwise specified, any reference to flood insurance in  
23 this section shall be considered to include Federal  
24 flood insurance and private flood insurance. Nothing  
25 in this subsection shall be construed to supersede or

1 limit the authority of a Federal entity for lending  
2 regulation, the Federal Housing Finance Agency, a  
3 Federal agency lender, a covered Federal mortgage  
4 entity (as such term is defined in paragraph  
5 (2)(B)(ii)), the Federal National Mortgage Associa-  
6 tion, or the Federal Home Loan Mortgage Corpora-  
7 tion to establish requirements relating to the finan-  
8 cial strength of private insurance companies from  
9 which the entity or agency will accept private flood  
10 insurance, provided that such requirements shall not  
11 affect or conflict with any State law, regulation, or  
12 procedure concerning the regulation of the business  
13 of insurance.”; and

14 (D) by adding at the end the following new  
15 paragraphs:

16 “(8) DEFINITIONS.—In this section:

17 “(A) FLOOD INSURANCE.—The term ‘flood  
18 insurance’ means—

19 “(i) Federal flood insurance; and

20 “(ii) private flood insurance.

21 “(B) FEDERAL FLOOD INSURANCE.—The  
22 term ‘Federal flood insurance’ means an insur-  
23 ance policy made available under the National  
24 Flood Insurance Act of 1968 (42 U.S.C. 4001  
25 et seq.).

1           “(C) PRIVATE FLOOD INSURANCE.—The  
2           term ‘private flood insurance’ means an insur-  
3           ance policy that—

4                   “(i) is issued by an insurance com-  
5                   pany that is—

6                           “(I) licensed, admitted, or other-  
7                           wise approved to engage in the busi-  
8                           ness of insurance in the State in  
9                           which the insured building is located,  
10                          by the insurance regulator of that  
11                          State; or

12                           “(II) eligible as a nonadmitted  
13                           insurer to provide insurance in the  
14                           home State of the insured, in accord-  
15                           ance with sections 521 through 527 of  
16                           the Dodd-Frank Wall Street Reform  
17                           and Consumer Protection Act (15  
18                           U.S.C. 8201 through 8206);

19                           “(ii) is issued by an insurance com-  
20                           pany that is not otherwise disapproved as  
21                           a surplus lines insurer by the insurance  
22                           regulator of the State in which the prop-  
23                           erty to be insured is located; and

1                   “(iii) provides flood insurance cov-  
2                   erage that complies with the laws and reg-  
3                   ulations of that State.

4                   “(D) STATE.—The term ‘State’ means any  
5                   State of the United States, the District of Co-  
6                   lumbia, the Commonwealth of Puerto Rico,  
7                   Guam, the Northern Mariana Islands, the Vir-  
8                   gin Islands, and American Samoa.”.

9           (b) EFFECT OF PRIVATE FLOOD INSURANCE COV-  
10   ERAGE ON CONTINUOUS COVERAGE REQUIREMENTS.—  
11   Section 1308 of the National Flood Insurance Act of 1968  
12   (42 U.S.C. 4015) is amended by adding at the end the  
13   following:

14           “(n) EFFECT OF PRIVATE FLOOD INSURANCE COV-  
15   ERAGE ON CONTINUOUS COVERAGE REQUIREMENTS.—  
16   For purposes of applying any statutory, regulatory, or ad-  
17   ministrative continuous coverage requirement, including  
18   under section 1307(g)(1), the Administrator shall consider  
19   any period during which a property was continuously cov-  
20   ered by private flood insurance (as defined in section  
21   102(b)(8) of the Flood Disaster Protection Act of 1973  
22   (42 U.S.C. 4012a(b)(8))) to be a period of continuous cov-  
23   erage.”.



1 **TITLE V—TAX RELIEF FOR HUR-**  
2 **RICANES HARVEY, IRMA, AND**  
3 **MARIA**

4 **SEC. 501. DEFINITIONS.**

5 (a) HURRICANE HARVEY DISASTER ZONE AND DIS-  
6 ASTER AREA.—For purposes of this title—

7 (1) HURRICANE HARVEY DISASTER ZONE.—The  
8 term “Hurricane Harvey disaster zone” means that  
9 portion of the Hurricane Harvey disaster area deter-  
10 mined by the President to warrant individual or in-  
11 dividual and public assistance from the Federal Gov-  
12 ernment under the Robert T. Stafford Disaster Re-  
13 lief and Emergency Assistance Act by reason of  
14 Hurricane Harvey.

15 (2) HURRICANE HARVEY DISASTER AREA.—The  
16 term “Hurricane Harvey disaster area” means an  
17 area with respect to which a major disaster has been  
18 declared by the President before September 21,  
19 2017, under section 401 of such Act by reason of  
20 Hurricane Harvey.

21 (b) HURRICANE IRMA DISASTER ZONE AND DIS-  
22 ASTER AREA.—For purposes of this title—

23 (1) HURRICANE IRMA DISASTER ZONE.—The  
24 term “Hurricane Irma disaster zone” means that  
25 portion of the Hurricane Irma disaster area deter-

1       mined by the President to warrant individual or in-  
2       dividual and public assistance from the Federal Gov-  
3       ernment under such Act by reason of Hurricane  
4       Irma.

5           (2) HURRICANE IRMA DISASTER AREA.—The  
6       term “Hurricane Irma disaster area” means an area  
7       with respect to which a major disaster has been de-  
8       clared by the President before September 21, 2017,  
9       under section 401 of such Act by reason of Hurri-  
10      cane Irma.

11      (c) HURRICANE MARIA DISASTER ZONE AND DIS-  
12      ASTER AREA.—For purposes of this title—

13           (1) HURRICANE MARIA DISASTER ZONE.—The  
14       term “Hurricane Maria disaster zone” means that  
15       portion of the Hurricane Maria disaster area deter-  
16       mined by the President to warrant individual or in-  
17       dividual and public assistance from the Federal Gov-  
18       ernment under such Act by reason of Hurricane  
19       Maria.

20           (2) HURRICANE MARIA DISASTER AREA.—The  
21       term “Hurricane Maria disaster area” means an  
22       area with respect to which a major disaster has been  
23       declared by the President before September 21,  
24       2017, under section 401 of such Act by reason of  
25       Hurricane Maria.

1 **SEC. 502. SPECIAL DISASTER-RELATED RULES FOR USE OF**  
2 **RETIREMENT FUNDS.**

3 (a) TAX-FAVORED WITHDRAWALS FROM RETIRE-  
4 MENT PLANS.—

5 (1) IN GENERAL.—Section 72(t) of the Internal  
6 Revenue Code of 1986 shall not apply to any quali-  
7 fied hurricane distribution.

8 (2) AGGREGATE DOLLAR LIMITATION.—

9 (A) IN GENERAL.—For purposes of this  
10 subsection, the aggregate amount of distribu-  
11 tions received by an individual which may be  
12 treated as qualified hurricane distributions for  
13 any taxable year shall not exceed the excess (if  
14 any) of—

15 (i) \$100,000, over

16 (ii) the aggregate amounts treated as  
17 qualified hurricane distributions received  
18 by such individual for all prior taxable  
19 years.

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

hurricane distribution, unless the aggregate amount of such distributions from all plans maintained by the employer (and any member of any controlled group which includes the employer) to such individual exceeds \$100,000.

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

(3) AMOUNT DISTRIBUTED MAY BE REPAYED.—

(A) IN GENERAL.—Any individual who receives a qualified hurricane distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, make one or more contributions in an aggregate amount not to exceed the amount of such distribution to an eligible retirement plan of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), of the Internal Revenue Code of 1986, as the case may be.

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

17 (C) TREATMENT OF REPAYMENTS FOR  
18 DISTRIBUTIONS FROM IRAS.—For purposes of  
19 the Internal Revenue Code of 1986, if a con-  
20 tribution is made pursuant to subparagraph (A)  
21 with respect to a qualified hurricane distribu-  
22 tion from an individual retirement plan (as de-  
23 fined by section 7701(a)(37) of such Code),  
24 then, to the extent of the amount of the con-  
25 tribution, the qualified hurricane distribution

1 shall be treated as a distribution described in  
2 section 408(d)(3) of such Code and as having  
3 been transferred to the eligible retirement plan  
4 in a direct trustee to trustee transfer within 60  
5 days of the distribution.

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

8 (A) QUALIFIED HURRICANE DISTRIBUTION.—Except as provided in paragraph (2),  
9 the term “qualified hurricane distribution”  
10 means—  
11

12 (i) any distribution from an eligible  
13 retirement plan made on or after August  
14 23, 2017, and before January 1, 2019, to  
15 an individual whose principal place of  
16 abode on August 23, 2017, is located in  
17 the Hurricane Harvey disaster area and  
18 who has sustained an economic loss by rea-  
19 son of Hurricane Harvey,

20 (ii) any distribution (which is not de-  
21 scribed in clause (i)) from an eligible re-  
22 tirement plan made on or after September  
23 4, 2017, and before January 1, 2019, to  
24 an individual whose principal place of  
25 abode on September 4, 2017, is located in

1 the Hurricane Irma disaster area and who  
2 has sustained an economic loss by reason  
3 of Hurricane Irma, and

4 (iii) any distribution (which is not de-  
5 scribed in clause (i) or (ii)) from an eligi-  
6 ble retirement plan made on or after Sep-  
7 tember 16, 2017, and before January 1,  
8 2019, to an individual whose principal  
9 place of abode on September 16, 2017, is  
10 located in the Hurricane Maria disaster  
11 area and who has sustained an economic  
12 loss by reason of Hurricane Maria.

13 (B) ELIGIBLE RETIREMENT PLAN.—The  
14 term “eligible retirement plan” shall have the  
15 meaning given such term by section  
16 402(c)(8)(B) of the Internal Revenue Code of  
17 1986.

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

20 (A) IN GENERAL.—In the case of any  
21 qualified hurricane distribution, unless the tax-  
22 payer elects not to have this paragraph apply  
23 for any taxable year, any amount required to be  
24 included in gross income for such taxable year

1 shall be so included ratably over the 3-taxable-  
 2 year period beginning with such taxable year.

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

7 (6) SPECIAL RULES.—

8 (A) EXEMPTION OF DISTRIBUTIONS FROM  
 9 TRUSTEE TO TRUSTEE TRANSFER AND WITH-  
 10 HOLDING RULES.—For purposes of sections  
 11 401(a)(31), 402(f), and 3405 of the Internal  
 12 Revenue Code of 1986, qualified hurricane dis-  
 13 tributions shall not be treated as eligible roll-  
 14 over distributions.

15 (B) QUALIFIED HURRICANE DISTRIBUTI-  
 16 TIONS TREATED AS MEETING PLAN DISTRIBUTI-  
 17 TION REQUIREMENTS.—For purposes the Inter-  
 18 nal Revenue Code of 1986, a qualified hurri-  
 19 cane distribution shall be treated as meeting  
 20 the requirements of sections 401(k)(2)(B)(i),  
 21 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A)  
 22 of such Code.

23 (b) RECONTRIBUTIONS OF WITHDRAWALS FOR  
 24 HOME PURCHASES.—

25 (1) RECONTRIBUTIONS.—



(A) IN GENERAL.—Any individual who received a qualified distribution may, during the period beginning on August 23, 2017, and ending on February 28, 2018, make one or more contributions in an aggregate amount not to exceed the amount of such qualified distribution to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Internal Revenue Code of 1986) of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(b)(8), or 408(d)(3), of such Code, as the case may be.

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

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

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

1 (B) received after February 28, 2017, and  
2 before September 21, 2017, and

3 (C) which was to be used to purchase or  
4 construct a principal residence in the Hurricane  
5 Harvey disaster area, the Hurricane Irma disaster  
6 area, or the Hurricane Maria disaster  
7 area, but which was not so purchased or constructed  
8 on account of Hurricane Harvey, Hurricane  
9 Irma, or Hurricane Maria.

10 (c) LOANS FROM QUALIFIED PLANS.—

11 (1) INCREASE IN LIMIT ON LOANS NOT TREATED  
12 AS DISTRIBUTIONS.—In the case of any loan  
13 from a qualified employer plan (as defined under  
14 section 72(p)(4) of the Internal Revenue Code of  
15 1986) to a qualified individual made during the period  
16 beginning on the date of the enactment of this  
17 Act and ending on December 31, 2018—

18 (A) clause (i) of section 72(p)(2)(A) of  
19 such Code shall be applied by substituting  
20 “\$100,000” for “\$50,000”, and

21 (B) clause (ii) of such section shall be applied  
22 by substituting “the present value of the  
23 nonforfeitable accrued benefit of the employee  
24 under the plan” for “one-half of the present

1 value of the nonforfeitable accrued benefit of  
2 the employee under the plan”.

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

8 (A) if the due date pursuant to subpara-  
9 graph (B) or (C) of section 72(p)(2) of such  
10 Code for any repayment with respect to such  
11 loan occurs during the period beginning on the  
12 qualified beginning date and ending on Decem-  
13 ber 31, 2018, such due date shall be delayed for  
14 1 year,

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

20 (C) in determining the 5-year period and  
21 the term of a loan under subparagraph (B) or  
22 (C) of section 72(p)(2) of such Code, the period  
23 described in subparagraph (A) shall be dis-  
24 regarded.

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

3           (A) IN GENERAL.—The term “qualified in-  
4 dividual” means any qualified Hurricane Har-  
5 vey individual, any qualified Hurricane Irma in-  
6 dividual, and any qualified Hurricane Maria in-  
7 dividual.

8           (B) QUALIFIED HURRICANE HARVEY INDI-  
9 VIDUAL.—The term “qualified Hurricane Har-  
10 vey individual” means an individual whose prin-  
11 cipal place of abode on August 23, 2017, is lo-  
12 cated in the Hurricane Harvey disaster area  
13 and who has sustained an economic loss by rea-  
14 son of Hurricane Harvey.

15          (C) QUALIFIED HURRICANE IRMA INDI-  
16 VIDUAL.—The term “qualified Hurricane Irma  
17 individual” means an individual (other than a  
18 qualified Hurricane Harvey individual) whose  
19 principal place of abode on September 4, 2017,  
20 is located in the Hurricane Irma disaster area  
21 and who has sustained an economic loss by rea-  
22 son of Hurricane Irma.

23          (D) QUALIFIED HURRICANE MARIA INDI-  
24 VIDUAL.—The term “qualified Hurricane Maria  
25 individual” means an individual (other than a

1 qualified Hurricane Harvey individual or a  
2 qualified Hurricane Irma individual) whose  
3 principal place of abode on September 16,  
4 2017, is located in the Hurricane Maria dis-  
5 aster area and who has sustained an economic  
6 loss by reason of Hurricane Maria.

7 (4) QUALIFIED BEGINNING DATE.—For pur-  
8 poses of this subsection, the qualified beginning date  
9 is—

10 (A) in the case of any qualified Hurricane  
11 Harvey individual, August 23, 2017,

12 (B) in the case of any qualified Hurricane  
13 Irma individual, September 4, 2017, and

14 (C) in the case of any qualified Hurricane  
15 Maria individual, September 16, 2017.

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

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

23 (2) AMENDMENTS TO WHICH SUBSECTION AP-  
24 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, 2019, 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. 503. DISASTER-RELATED EMPLOYMENT RELIEF.**

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

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 Harvey 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 Harvey 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 August 23, 2017, in the Hur-  
9 ricane Harvey 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 August 23, 2017,  
13 and before January 1, 2018, as a result of  
14 damage sustained by reason of Hurricane  
15 Harvey.

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 August 23, 2017, with such  
20 eligible employer was in the Hurricane Harvey  
21 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 August 23, 2017, and before Jan-  
4 uary 1, 2018, which occurs during the period—

5 (i) beginning on the date on which the  
6 trade or business described in subpara-  
7 graph (A) first became inoperable at the  
8 principal place of employment of the em-  
9 ployee immediately before Hurricane Har-  
10 vey, 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) and 52, of the Internal Revenue Code  
25 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       (b) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS  
9       AFFECTED BY HURRICANE IRMA.—

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

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

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

3 (i) which conducted an active trade or  
4 business on September 4, 2017, in the  
5 Hurricane Irma disaster 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 September 4, 2017,  
9 and before January 1, 2018, as a result of  
10 damage sustained by reason of Hurricane  
11 Irma.

12 (B) ELIGIBLE EMPLOYEE.—The term “eli-  
13 gible employee” means with respect to an eligi-  
14 ble employer an employee whose principal place  
15 of employment on September 4, 2017, with  
16 such eligible employer was in the Hurricane  
17 Irma disaster zone.

18 (C) QUALIFIED WAGES.—The term “quali-  
19 fied wages” means wages (as defined in section  
20 51(c)(1) of the Internal Revenue Code of 1986,  
21 but without regard to section 3306(b)(2)(B) of  
22 such Code) paid or incurred by an eligible em-  
23 ployer with respect to an eligible employee on  
24 any day after September 4, 2017, and before

1 January 1, 2018, which occurs during the pe-  
2 riod—

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 Irma,  
8 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) and 52, of the Internal Revenue Code  
23 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 subsection  
4 (a), or section 51 of the Internal Revenue Code of  
5 1986, with respect to such employee for such period.

6 (c) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS  
7 AFFECTED BY HURRICANE MARIA.—

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 Hurricane Maria em-  
11 ployee retention credit shall be treated as a credit  
12 listed in subsection (b) of such section. For purposes  
13 of this subsection, the Hurricane Maria employee re-  
14 tention credit for any taxable year is an amount  
15 equal to 40 percent of the qualified wages with re-  
16 spect to each eligible employee of such employer for  
17 such taxable year. For purposes of the preceding  
18 sentence, the amount of qualified wages which may  
19 be taken into account with respect to any individual  
20 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 on September 16, 2017, in the  
3 Hurricane Maria disaster zone, and

4 (ii) with respect to whom the trade or  
5 business described in clause (i) is inoper-  
6 able on any day after September 16, 2017,  
7 and before January 1, 2018, as a result of  
8 damage sustained by reason of Hurricane  
9 Maria.

10 (B) ELIGIBLE EMPLOYEE.—The term “eli-  
11 gible employee” means with respect to an eligi-  
12 ble employer an employee whose principal place  
13 of employment on September 16, 2017, with  
14 such eligible employer was in the Hurricane  
15 Maria disaster zone.

16 (C) QUALIFIED WAGES.—The term “quali-  
17 fied wages” means wages (as defined in section  
18 51(c)(1) of the Internal Revenue Code of 1986,  
19 but without regard to section 3306(b)(2)(B) of  
20 such Code) paid or incurred by an eligible em-  
21 ployer with respect to an eligible employee on  
22 any day after September 16, 2017, and before  
23 January 1, 2018, which occurs during the pe-  
24 riod—

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

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

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

18 (3) CERTAIN RULES TO APPLY.—For purposes  
19 of this subsection, rules similar to the rules of sec-  
20 tions 51(i)(1) and 52, of the Internal Revenue Code  
21 of 1986, shall apply.

22 (4) EMPLOYEE NOT TAKEN INTO ACCOUNT  
23 MORE THAN ONCE.—An employee shall not be treat-  
24 ed as an eligible employee for purposes of this sub-  
25 section for any period with respect to any employer

1 if such employer is allowed a credit under subsection  
 2 (a) or (b), or section 51 of the Internal Revenue  
 3 Code of 1986, with respect to such employee for  
 4 such period.

5 **SEC. 504. ADDITIONAL DISASTER-RELATED TAX RELIEF**  
 6 **PROVISIONS.**

7 (a) TEMPORARY SUSPENSION OF LIMITATIONS ON  
 8 CHARITABLE CONTRIBUTIONS.—

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

16 (2) TREATMENT OF EXCESS CONTRIBUTIONS.—  
 17 For purposes of section 170 of the Internal Revenue  
 18 Code of 1986—

19 (A) INDIVIDUALS.—In the case of an indi-  
 20 vidual—

21 (i) LIMITATION.—Any qualified con-  
 22 tribution shall be allowed only to the ex-  
 23 tent that the aggregate of such contribu-  
 24 tions does not exceed the excess of the tax-  
 25 payer's contribution base (as defined in



1           subparagraph (G) of section 170(b)(1) of  
2           such Code) over the amount of all other  
3           charitable contributions allowed under sec-  
4           tion 170(b)(1) of such Code.

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

14          (B) CORPORATIONS.—In the case of a cor-  
15          poration—

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

1 (ii) CARRYOVER.—Rules similar to the  
2 rules of subparagraph (A)(ii) shall apply  
3 for purposes of this subparagraph.

4 (3) EXCEPTION TO OVERALL LIMITATION ON  
5 ITEMIZED DEDUCTIONS.—So much of any deduction  
6 allowed under section 170 of the Internal Revenue  
7 Code of 1986 as does not exceed the qualified con-  
8 tributions paid during the taxable year shall not be  
9 treated as an itemized deduction for purposes of sec-  
10 tion 68 of such Code.

11 (4) QUALIFIED CONTRIBUTIONS.—

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

17 (i) such contribution—

18 (I) is paid during the period be-  
19 ginning on August 23, 2017, and end-  
20 ing on December 31, 2017, in cash to  
21 an organization described in section  
22 170(b)(1)(A) of such Code, and

23 (II) is made for relief efforts in  
24 the Hurricane Harvey disaster area,

1 the Hurricane Irma disaster area, or  
2 the Hurricane Maria disaster area,

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

10 (iii) the taxpayer has elected the ap-  
11 plication of this subsection with respect to  
12 such contribution.

13 (B) EXCEPTION.—Such term shall not in-  
14 clude a contribution by a donor if the contribu-  
15 tion is—

16 (i) to an organization described in sec-  
17 tion 509(a)(3) of the Internal Revenue  
18 Code of 1986, or

19 (ii) for the establishment of a new, or  
20 maintenance of an existing, donor advised  
21 fund (as defined in section 4966(d)(2) of  
22 such Code).

23 (C) APPLICATION OF ELECTION TO PART-  
24 NERSHIPS AND S CORPORATIONS.—In the case  
25 of a partnership or S corporation, the election

1 under subparagraph (A)(iii) shall be made sepa-  
 2 rately by each partner or shareholder.

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

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

7 (A) the amount determined under section  
 8 165(h)(2)(A)(ii) of the Internal Revenue Code  
 9 of 1986 shall be equal to the sum of—

10 (i) such net disaster loss, and

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

17 (B) section 165(h)(1) of such Code shall  
 18 be applied by substituting “\$500” for “\$500  
 19 (\$100 for taxable years beginning after Decem-  
 20 ber 31, 2009)”,

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

24 (D) section 56(b)(1)(E) of such Code shall  
 25 not apply to so much of the standard deduction

1 as is attributable to the increase under sub-  
2 paragraph (C) of this paragraph.

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

9 (3) QUALIFIED DISASTER-RELATED PERSONAL  
10 CASUALTY LOSSES.—For purposes of this sub-  
11 section, the term “qualified disaster-related personal  
12 casualty losses” means losses described in section  
13 165(c)(3) of the Internal Revenue Code of 1986—

14 (A) which arise in the Hurricane Harvey  
15 disaster area on or after August 23, 2017, and  
16 which are attributable to Hurricane Harvey,

17 (B) which arise in the Hurricane Irma dis-  
18 aster area on or after September 4, 2017, and  
19 which are attributable to Hurricane Irma, or

20 (C) which arise in the Hurricane Maria  
21 disaster area on or after September 16, 2017,  
22 and which are attributable to Hurricane Maria.

23 (c) SPECIAL RULE FOR DETERMINING EARNED IN-  
24 COME.—

1           (1) IN GENERAL.—In the case of a qualified in-  
 2           dividual, if the earned income of the taxpayer for the  
 3           taxable year which includes the applicable date is  
 4           less than the earned income of the taxpayer for the  
 5           preceding taxable year, the credits allowed under  
 6           sections 24(d) and 32 of the Internal Revenue Code  
 7           of 1986 may, at the election of the taxpayer, be de-  
 8           termined by substituting—

9                   (A) such earned income for the preceding  
 10                  taxable year, for

11                   (B) such earned income for the taxable  
 12                  year which includes the applicable date.

13           In the case of a resident of Puerto Rico determining  
 14           the credit allowed under section 24(d)(1)(B)(ii) of  
 15           such Code, the preceding sentence shall be applied  
 16           by substituting “social security taxes (as defined in  
 17           section 24(d)(2)(A) of the Internal Revenue Code of  
 18           1986)” for “earned income” each place it appears.

19           (2) QUALIFIED INDIVIDUAL.—For purposes of  
 20           this subsection—

21                   (A) IN GENERAL.—The term “qualified in-  
 22                  dividual” means any qualified Hurricane Har-  
 23                  vey individual, any qualified Hurricane Irma in-  
 24                  dividual, and any qualified Hurricane Maria in-  
 25                  dividual.

1 (B) QUALIFIED HURRICANE HARVEY INDIVIDUAL.—The term “qualified Hurricane Har-

2 vey individual” means any individual whose

3 principal place of abode on August 23, 2017,

4 was located—

5

6 (i) in the Hurricane Harvey disaster

7 zone, or

8 (ii) in the Hurricane Harvey disaster

9 area (but outside the Hurricane Harvey

10 disaster zone) and such individual was dis-

11 placed from such principal place of abode

12 by reason of Hurricane Harvey.

13 (C) QUALIFIED HURRICANE IRMA INDIVIDUAL.—The term “qualified Hurricane Irma

14 individual” means any individual (other than a

15 qualified Hurricane Harvey individual) whose

16 principal place of abode on September 4, 2017,

17 was located—

18

19 (i) in the Hurricane Irma disaster

20 zone, or

21 (ii) in the Hurricane Irma disaster

22 area (but outside the Hurricane Irma dis-

23 aster zone) and such individual was dis-

24 placed from such principal place of abode

25 by reason of Hurricane Irma.

1 (D) QUALIFIED HURRICANE MARIA INDIVIDUAL.—The term “qualified Hurricane Maria  
2 individual” means any individual (other than a  
3 qualified Hurricane Harvey individual or a  
4 qualified Hurricane Irma individual) whose  
5 principal place of abode on September 16,  
6 2017, was located—

7  
8 (i) in the Hurricane Maria disaster  
9 zone, or

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

15 (3) APPLICABLE DATE.—For purposes of this  
16 subsection, the term “applicable date” means—

17 (A) in the case of a qualified Hurricane  
18 Harvey individual, August 23, 2017,

19 (B) in the case of a qualified Hurricane  
20 Irma individual, September 4, 2017, and

21 (C) in the case of a qualified Hurricane  
22 Maria individual, September 16, 2017.

23 (4) EARNED INCOME.—For purposes of this  
24 subsection, the term “earned income” has the mean-



1       ing given such term under section 32(c) of the Inter-  
2       nal Revenue Code of 1986.

3           (5) SPECIAL RULES.—

4               (A) APPLICATION TO JOINT RETURNS.—

5       For purposes of paragraph (1), in the case of  
6       a joint return for a taxable year which includes  
7       the applicable date—

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

10              (ii) the earned income of the taxpayer  
11              for the preceding taxable year shall be the  
12              sum of the earned income of each spouse  
13              for such preceding taxable year.

14           (B) UNIFORM APPLICATION OF ELEC-  
15       TION.—Any election made under paragraph (1)  
16       shall apply with respect to both sections 24(d)  
17       and 32, of the Internal Revenue Code of 1986.

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

24           (D) NO EFFECT ON DETERMINATION OF  
25       GROSS INCOME, ETC.—Except as otherwise pro-

1           vided in this subsection, the Internal Revenue  
2           Code of 1986 shall be applied without regard to  
3           any substitution under paragraph (1).

4           (d) APPLICATION OF DISASTER-RELATED TAX RE-  
5 LIEF TO POSSESSIONS OF THE UNITED STATES.—

6           (1) PAYMENTS TO UNITED STATES VIRGIN IS-  
7 LANDS AND PUERTO RICO.—

8           (A) UNITED STATES VIRGIN ISLANDS.—

9           The Secretary of the Treasury shall pay to the  
10          United States Virgin Islands amounts equal to  
11          the loss in revenues to the United States Virgin  
12          Islands by reason of the provisions of this title.  
13          Such amounts shall be determined by the Sec-  
14          retary of the Treasury based on information  
15          provided by the government of the United  
16          States Virgin Islands.

17          (B) PUERTO RICO.—The Secretary of the  
18          Treasury shall pay to Puerto Rico amounts es-  
19          timated by the Secretary of the Treasury as  
20          being equal to the aggregate benefits that would  
21          have been provided to residents of Puerto Rico  
22          by reason of the provisions of this title if a mir-  
23          ror code tax system had been in effect in Puer-  
24          to Rico. The preceding sentence shall not apply  
25          with respect to Puerto Rico unless Puerto Rico

1 has a plan, which has been approved by the  
2 Secretary of the Treasury, under which Puerto  
3 Rico will promptly distribute such payments to  
4 its residents.

5 (2) DEFINITION AND SPECIAL RULES.—

6 (A) MIRROR CODE TAX SYSTEM.—For pur-  
7 poses of this subsection, the term “mirror code  
8 tax system” means, with respect to any posses-  
9 sion of the United States, the income tax sys-  
10 tem of such possession if the income tax liabil-  
11 ity of the residents of such possession under  
12 such system is determined by reference to the  
13 income tax laws of the United States as if such  
14 possession were the United States.

15 (B) TREATMENT OF PAYMENTS.—For pur-  
16 poses of section 1324 of title 31, United States  
17 Code, the payments under this subsection shall  
18 be treated in the same manner as a refund due  
19 from a credit provision referred to in subsection  
20 (b)(2) of such section.

21 (C) COORDINATION WITH UNITED STATES  
22 INCOME TAXES.—In the case of any person  
23 with respect to whom a tax benefit is taken into  
24 account with respect to the taxes imposed by  
25 any possession of the United States by reason

1           of this title, the Internal Revenue Code of 1986  
2           shall be applied with respect to such person  
3           without regard to the provisions of this title  
4           which provide such benefit.

5 **SEC. 505. BUDGETARY EFFECTS.**

6       (a) **EMERGENCY DESIGNATION.**—This title is des-  
7   ignated as an emergency requirement pursuant to section  
8   4(g) of the Statutory Pay-As-You-Go Act of 2010 (2  
9   U.S.C. 933(g)).

10       (b) **DESIGNATION IN SENATE.**—In the Senate, this  
11   title is designated as an emergency requirement pursuant  
12   to section 403(a) of S. Con. Res. 13 (111th Congress),  
13   the concurrent resolution on the budget for fiscal year  
14   2010.

        Passed the House of Representatives September 28,  
2017.

Attest:

*Clerk.*



115TH CONGRESS  
1ST Session

# H. R. 3823

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## AN ACT

To amend title 49, United States Code, to extend authorizations for the airport improvement program, to amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority of the Airport and Airway Trust Fund, to provide disaster tax relief, and for other purposes.