

118TH CONGRESS
2D SESSION

H. R. 9081

To provide for emergency tax relief for taxpayers affected by the severe storms, flooding, straight-line winds, and tornadoes in certain Iowa counties.

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 2024

Mr. FEENSTRA (for himself, Mr. NUNN of Iowa, Mrs. HINSON, and Mrs. MILLER-MEEKS) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To provide for emergency tax relief for taxpayers affected by the severe storms, flooding, straight-line winds, and tornadoes in certain Iowa counties.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Storm Recovery and
5 Community Restoration Act”.

6 **SEC. 2. SPECIAL DISASTER-RELATED RULES FOR USE OF**
7 **RETIREMENT FUNDS.**

8 (a) TAX-FAVORED WITHDRAWALS FROM RETIRE-
9 MENT PLANS.—

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

4 (2) AGGREGATE DOLLAR LIMITATION.—

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

11 (i) \$100,000, over

12 (ii) the aggregate amounts treated as
13 qualified Iowa disaster distributions re-
14 ceived by such individual for all prior tax-
15 able years.

16 (B) TREATMENT OF PLAN DISTRIBUTI-
17 TIONS.—If a distribution to an individual would
18 (without regard to subparagraph (A)) be a
19 qualified Iowa disaster distribution, a plan shall
20 not be treated as violating any requirement of
21 the Internal Revenue Code of 1986 merely be-
22 cause the plan treats such distribution as a
23 qualified Iowa disaster distribution, unless the
24 aggregate amount of such distributions from all
25 plans maintained by the employer (and any

1 member of any controlled group which includes
2 the employer) to such individual exceeds
3 \$100,000.

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

10 (3) AMOUNT DISTRIBUTED MAY BE REPAID.—

11 (A) IN GENERAL.—Any individual who re-
12 ceives a qualified Iowa disaster distribution
13 may, at any time during the 3-year period be-
14 ginning on the day after the date on which such
15 distribution was received, make one or more
16 contributions in an aggregate amount not to ex-
17 ceed the amount of such distribution to an eligi-
18 ble retirement plan of which such individual is
19 a beneficiary and to which a rollover contribu-
20 tion of such distribution could be made under
21 section 402(c), 403(a)(4), 403(b)(8), 408(d)(3),
22 or 457(e)(16), of the Internal Revenue Code of
23 1986, as the case may be.

24 (B) TREATMENT OF REPAYMENTS OF DIS-
25 TRIBUTIONS FROM ELIGIBLE RETIREMENT

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

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

1 been transferred to the eligible retirement plan
2 in a direct trustee to trustee transfer within 60
3 days of the distribution.

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

6 (A) QUALIFIED IOWA DISASTER DISTRIBU-
7 TION.—Except as provided in paragraph (2),
8 the term “qualified Iowa disaster distribution”
9 means any distribution from an eligible retire-
10 ment plan made on or after the applicable date,
11 and before January 1, 2026, to an individual
12 whose principal place of abode on the applicable
13 date, is located in the Iowa disaster area.

14 (B) IOWA DISASTER AREA.—For purposes
15 of paragraph (1), the term “Iowa disaster area”
16 means—

17 (i) any area within the Iowa counties
18 of Clarke, Harrison, Mills, Polk,
19 Pottawattamie, Ringgold, Shelby, or Union
20 with respect to which a major disaster was
21 declared, during the period beginning on
22 April 26, 2024, and ending on the date
23 which is 60 days after the date of the en-
24 actment of this Act, by the President
25 under section 401 of the Robert T. Staf-

1 ford Disaster Relief and Emergency Assist-
2 ance Act, and

3 (ii) any area within the Iowa counties
4 of Clay, Emmet, Lyon, Plymouth, or Sioux
5 with respect to which a major disaster was
6 declared, during the period beginning on
7 June 16, 2024, and ending on the date
8 which is 60 days after the date of the en-
9 actment of this Act, by the President
10 under section 401 of the Robert T. Staf-
11 ford Disaster Relief and Emergency Assist-
12 ance Act.

13 (C) APPLICABLE DATE.—For purposes of
14 this paragraph, the term “applicable date”
15 means—

16 (i) in the case of a disaster area de-
17 scribed in subparagraph (B)(i), April 26,
18 2024, and

19 (ii) in the case of a disaster area de-
20 scribed in subparagraph (B)(ii), June 16,
21 2024.

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

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

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

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

15 (6) SPECIAL RULES.—

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

23 (B) QUALIFIED IOWA DISASTER DISTRIBU-
24 TIONS TREATED AS MEETING PLAN DISTRIBU-
25 TION REQUIREMENTS.—For purposes the Inter-

1 nal Revenue Code of 1986, a qualified Iowa dis-
2 aster distribution shall be treated as meeting
3 the requirements of sections 401(k)(2)(B)(i),
4 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A)
5 of such Code.

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

8 (1) RECONTRIBUTIONS.—

9 (A) IN GENERAL.—Any individual who re-
10 ceived a qualified distribution may, during the
11 period beginning on the applicable date, and
12 ending on December 31, 2024, make one or
13 more contributions in an aggregate amount not
14 to exceed the amount of such qualified distribu-
15 tion to an eligible retirement plan (as defined in
16 section 402(c)(8)(B) of the Internal Revenue
17 Code of 1986) of which such individual is a
18 beneficiary and to which a rollover contribution
19 of such distribution could be made under sec-
20 tion 402(e), 403(a)(4), 403(b)(8), or 408(d)(3),
21 of such Code, as the case may be.

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

1 (2) QUALIFIED DISTRIBUTION.—For purposes
2 of this subsection, 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) received on or after the applicable
10 date, and before December 31, 2024, and

11 (C) which was to be used to purchase or
12 construct a principal residence in the Iowa dis-
13 aster area.

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

16 (A) in the case of a qualified distribution
17 received with respect to the Iowa disaster area
18 described in subsection (a)(4)(B)(i), April 26,
19 2024, and

20 (B) in the case of a qualified distribution
21 received with respect to the Iowa disaster area
22 described in subsection (a)(4)(B)(ii), June 14,
23 2024.

24 (c) LOANS FROM QUALIFIED PLANS.—

1 (1) INCREASE IN LIMIT ON LOANS NOT TREAT-
2 ED AS DISTRIBUTIONS.—In the case of any loan
3 from a qualified employer plan (as defined under
4 section 72(p)(4) of the Internal Revenue Code of
5 1986) to a qualified individual made during the pe-
6 riod beginning on the date of the enactment of this
7 Act and ending on December 31, 2025—

8 (A) clause (i) of section 72(p)(2)(A) of
9 such Code shall be applied by substituting
10 “\$100,000” for “\$50,000”, and

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

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

22 (A) if the due date pursuant to subpara-
23 graph (B) or (C) of section 72(p)(2) of such
24 Code for any repayment with respect to such
25 loan occurs during the period beginning on the

1 qualified beginning date and ending on Decem-
2 ber 31, 2025, such due date shall be delayed for
3 1 year,

4 (B) any subsequent repayments with re-
5 spect to any such loan shall be appropriately
6 adjusted to reflect the delay in the due date
7 under paragraph (1) and any interest accruing
8 during such delay, and

9 (C) in determining the 5-year period and
10 the term of a loan under subparagraph (B) or
11 (C) of section 72(p)(2) of such Code, the period
12 described in subparagraph (A) shall be dis-
13 regarded.

14 (3) QUALIFIED INDIVIDUAL.—For purposes of
15 this subsection, the term “qualified individual”
16 means an individual whose principal place of abode
17 on the applicable date described in subsection
18 (a)(4)(C) is located in the Iowa disaster area and
19 who has sustained an economic loss by reason of se-
20 vere storms, flooding, straight-line winds, or torna-
21 does beginning on such date.

22 (4) QUALIFIED BEGINNING DATE.—For pur-
23 poses of this subsection, the qualified beginning date
24 is the applicable date described in subsection
25 (a)(4)(C).

1 (d) PROVISIONS RELATING TO PLAN AMEND-
2 MENTS.—

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

8 (2) AMENDMENTS TO WHICH SUBSECTION AP-
9 PLIES.—

10 (A) IN GENERAL.—This subsection shall
11 apply to any amendment to any plan or annuity
12 contract which is made—

13 (i) pursuant to any provision of this
14 section, or pursuant to any regulation
15 issued by the Secretary or the Secretary of
16 Labor under any provision of this section,
17 and

18 (ii) on or before the last day of the
19 first plan year beginning on or after Janu-
20 ary 1, 2026, or such later date as the Sec-
21 retary may prescribe.

22 In the case of a governmental plan (as defined
23 in section 414(d) of the Internal Revenue Code
24 of 1986), clause (ii) shall be applied by sub-

1 stituting the date which is 2 years after the
2 date otherwise applied under clause (ii).

3 (B) CONDITIONS.—This subsection shall
4 not apply to any amendment unless—

5 (i) during the period—

6 (I) beginning on the date that
7 this section or the regulation de-
8 scribed in subparagraph (A)(i) takes
9 effect (or in the case of a plan or con-
10 tract amendment not required by this
11 section or such regulation, the effec-
12 tive date specified by the plan), and

13 (II) ending on the date described
14 in subparagraph (A)(ii) (or, if earlier,
15 the date the plan or contract amend-
16 ment is adopted),

17 the plan or contract is operated as if such plan
18 or contract amendment were in effect, and

19 (ii) such plan or contract amendment
20 applies retroactively for such period.

21 **SEC. 3. TEMPORARY SUSPENSION OF LIMITATIONS ON**
22 **CHARITABLE CONTRIBUTIONS.**

23 (a) IN GENERAL.—Except as otherwise provided in
24 paragraph (2), subsection (b) of section 170 of the Inter-
25 nal Revenue Code of 1986 shall not apply to qualified con-

1 tributions and such contributions shall not be taken into
2 account for purposes of applying subsections (b) and (d)
3 of such section to other contributions.

4 (b) TREATMENT OF EXCESS CONTRIBUTIONS.—For
5 purposes of section 170 of the Internal Revenue Code of
6 1986—

7 (1) INDIVIDUALS.—In the case of an indi-
8 vidual—

9 (A) LIMITATION.—Any qualified contribu-
10 tion shall be allowed only to the extent that the
11 aggregate of such contributions does not exceed
12 the excess of the taxpayer's contribution base
13 (as defined in subparagraph (G) of section
14 170(b)(1) of such Code) over the amount of all
15 other charitable contributions allowed under
16 section 170(b)(1) of such Code.

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

1 (2) CORPORATIONS.—In the case of a corpora-
2 tion—

3 (A) LIMITATION.—Any qualified contribu-
4 tion shall be allowed only to the extent that the
5 aggregate of such contributions does not exceed
6 the excess of the taxpayer’s taxable income (as
7 determined under paragraph (2) of section
8 170(b) of such Code) over the amount of all
9 other charitable contributions allowed under
10 such paragraph.

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

14 (c) EXCEPTION TO OVERALL LIMITATION ON
15 ITEMIZED DEDUCTIONS.—So much of any deduction al-
16 lowed under section 170 of the Internal Revenue Code of
17 1986 as does not exceed the qualified contributions paid
18 during the taxable year shall not be treated as an itemized
19 deduction for purposes of section 68 of such Code.

20 (d) QUALIFIED CONTRIBUTIONS.—

21 (1) IN GENERAL.—For purposes of this sub-
22 section, the term “qualified contribution” means any
23 charitable contribution (as defined in section 170(c)
24 of the Internal Revenue Code of 1986) if—

25 (A) such contribution—

1 (i) is paid during the period beginning
2 on April 24, 2024, and ending on Decem-
3 ber 31, 2024, in cash to an organization
4 described in section 170(b)(1)(A) of such
5 Code, and

6 (ii) is made for relief efforts in the
7 Iowa disaster area,

8 (B) the taxpayer obtains from such organi-
9 zation contemporaneous written acknowledg-
10 ment (within the meaning of section 170(f)(8)
11 of such Code) that such contribution was used
12 (or is to be used) for relief efforts described in
13 clause (i)(II), and

14 (C) the taxpayer has elected the applica-
15 tion of this subsection with respect to such con-
16 tribution.

17 (2) IOWA DISASTER AREA.—For purposes of
18 paragraph (1), the term “Iowa disaster area” has
19 the meaning given such term in section 2(a)(4)(B).

20 (3) EXCEPTION.—Such term shall not include a
21 contribution by a donor if the contribution is—

22 (A) to an organization described in section
23 509(a)(3) of the Internal Revenue Code of
24 1986, or

1 (B) for the establishment of a new, or
2 maintenance of an existing, donor advised fund
3 (as defined in section 4966(d)(2) of such Code).

4 (4) APPLICATION OF ELECTION TO PARTNER-
5 SHIPS AND S CORPORATIONS.—In the case of a part-
6 nership or S corporation, the election under sub-
7 paragraph (A)(iii) shall be made separately by each
8 partner or shareholder.

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