

RULES COMMITTEE PRINT 115-_____
TEXT OF THE HOUSE AMENDMENT TO THE
SENATE AMENDMENT TO H.R. 88

[Showing the text of the _____ Act of 2018 and the
Taxpayer First Act of 2018.]

In lieu of the matter proposed to be inserted by the
Senate, insert the following:

1 DIVISION A—[_____ ACT OF 2018]

2 SECTION 1. SHORT TITLE, ETC.

3 (a) SHORT TITLE.—This division may be cited as
4 [the “ _____ Act of 2018”].

5 (b) AMENDMENT OF 1986 CODE.—Except as other-
6 wise expressly provided, whenever in this division an
7 amendment or repeal is expressed in terms of an amend-
8 ment to, or repeal of, a section or other provision, the ref-
9 erence shall be considered to be made to a section or other
10 provision of the Internal Revenue Code of 1986.

11 (c) TABLE OF CONTENTS.—The table of contents for
12 this division is as follows:

Sec. 1. Short title, etc.

TITLE I—EXTENSION OF EXPIRING PROVISIONS

Subtitle A—Made Permanent

Sec. 101. Railroad track maintenance credit.

Subtitle B—Extension and Phase Out

Sec. 111. Biodiesel and renewable diesel.

Subtitle C—Extensions for 2018

- Sec. 121. Nonbusiness energy property.
- Sec. 122. Qualified fuel cell motor vehicles.
- Sec. 123. Alternative fuel refueling property credit.
- Sec. 124. 2-wheeled plug-in electric vehicle credit.
- Sec. 125. Second generation biofuel producer credit.
- Sec. 126. Credit for electricity produced from certain renewable resources.
- Sec. 127. Production credit for Indian coal facilities.
- Sec. 128. Energy efficient homes credit.
- Sec. 129. Classification of certain race horses as 3-year property.
- Sec. 130. Special allowance for second generation biofuel plant property.
- Sec. 131. Energy efficient commercial buildings deduction.
- Sec. 132. Election to expense advanced mine safety equipment.
- Sec. 133. Extension of special rule for sales or dispositions to implement FERC or State electric restructuring policy for qualified electric utilities.
- Sec. 134. Extension of excise tax credits relating to alternative fuels.
- Sec. 135. 7-year recovery period for motorsports entertainment complexes.
- Sec. 136. Accelerated depreciation for business property on Indian reservation.
- Sec. 137. Expensing rules for certain productions.
- Sec. 138. Indian employment credit.
- Sec. 139. Mine rescue team training credit.
- Sec. 140. Exclusion from gross income of discharge of qualified principal residence indebtedness.
- Sec. 141. Treatment of mortgage insurance premiums as qualified residence interest.
- Sec. 142. Deduction of qualified tuition and related expenses.
- Sec. 143. Extension of empowerment zone tax incentives.
- Sec. 144. American Samoa economic development credit.

Subtitle D—Extensions for 2019

- Sec. 151. Extension of oil spill liability trust fund rate.
- Sec. 152. Black lung liability trust fund excise tax.

TITLE II—DISASTER TAX RELIEF

- Sec. 201. Definitions.
- Sec. 202. Special disaster-related rules for use of retirement funds.
- Sec. 203. Employment relief.
- Sec. 204. Other disaster-related tax relief provisions.
- Sec. 205. Treatment of certain possessions.

TITLE III—RETIREMENT AND SAVINGS

Subtitle A—Expanding and Preserving Retirement Savings

- Sec. 301. Multiple employer plans; pooled employer plans.
- Sec. 302. Rules relating to election of safe harbor 401(k) status.
- Sec. 303. Certain taxable non-tuition fellowship and stipend payments treated as compensation for IRA purposes.
- Sec. 304. Repeal of maximum age for traditional IRA contributions.
- Sec. 305. Qualified employer plans prohibited from making loans through credit cards and other similar arrangements.

- Sec. 306. Portability of lifetime income investments.
- Sec. 307. Treatment of custodial accounts on termination of section 403(b) plans.
- Sec. 308. Clarification of retirement income account rules relating to church-controlled organizations.
- Sec. 309. Increase in 10 percent cap for automatic enrollment safe harbor after 1st plan year.
- Sec. 310. Increase in credit limitation for small employer pension plan startup costs.
- Sec. 311. Small employer automatic enrollment credit.
- Sec. 312. Exemption from required minimum distribution rules for individuals with certain account balances.
- Sec. 313. Elective deferrals by members of the Ready Reserve of a reserve component of the Armed Forces.

Subtitle B—Administrative Improvements

- Sec. 321. Plan adopted by filing due date for year may be treated as in effect as of close of year.
- Sec. 322. Modification of nondiscrimination rules to protect older, longer service participants.
- Sec. 323. Fiduciary safe harbor for selection of lifetime income provider.
- Sec. 324. Disclosure regarding lifetime income.
- Sec. 325. Modification of PBGC premiums for CSEC plans.

Subtitle C—Other Savings Provisions

- Sec. 331. Penalty-free withdrawals from retirement plans for individuals in case of birth of child or adoption.

TITLE IV—AMERICAN INNOVATION

- Sec. 401. Simplification and expansion of deduction for start-up and organizational expenditures.
- Sec. 402. Preservation of start-up net operating losses and tax credits after ownership change.

TITLE V—CERTAIN TAX TECHNICAL CORRECTIONS

- Sec. 501. Amendments relating to Public Law 115–97.

1 **TITLE I—EXTENSION OF**
2 **EXPIRING PROVISIONS**
3 **Subtitle A—Made Permanent**

4 **SEC. 101. RAILROAD TRACK MAINTENANCE CREDIT.**

- 5 (a) CREDIT PERCENTAGE REDUCED.—Section
- 6 45G(a) is amended by striking “50 percent” and inserting
- 7 “30 percent”.

1 (b) MADE PERMANENT.—Section 45G is amended by
2 striking subsection (f).

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to expenditures paid or incurred
5 during taxable years beginning after December 31, 2017.

6 **Subtitle B—Extension and Phase** 7 **Out**

8 **SEC. 111. BIODIESEL AND RENEWABLE DIESEL.**

9 (a) INCOME TAX CREDIT.—

10 (1) IN GENERAL.—Section 40A(g) is amended
11 to read as follows:

12 “(g) PHASE OUT; TERMINATION.—

13 “(1) PHASE OUT.—In the case of any sale or
14 use after December 31, 2021, subsections (b)(1)(A)
15 and (b)(2)(A) shall be applied by substituting for
16 ‘\$1.00’—

17 “(A) ‘\$.75’, if such sale or use is before
18 January 1, 2023,

19 “(B) ‘\$.50’, if such sale or use is after De-
20 cember 31, 2022, and before January 1, 2024,
21 and

22 “(C) ‘\$.33’, if such sale or use is after De-
23 cember 31, 2023, and before January 1, 2025.

24 “(2) TERMINATION.—This section shall not
25 apply to any sale or use after December 31, 2024.”.

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

4 (b) EXCISE TAX INCENTIVES.—

5 (1) PHASE OUT.—Section 6426(c)(2) is amend-
6 ed to read as follows:

7 “(2) APPLICABLE AMOUNT.—For purposes of
8 this subsection, the applicable amount is—

9 “(A) \$1.00 in the case of any sale or use
10 for any period before January 1, 2022,

11 “(B) \$.75 in the case of any sale or use for
12 any period after December 31, 2021, and before
13 January 1, 2023,

14 “(C) \$.50 in the case of any sale or use for
15 any period after December 31, 2022, and before
16 January 1, 2024, and

17 “(D) \$.33 in the case of any sale or use
18 for any period after December 31, 2023, and
19 before January 1, 2025.”.

20 (2) TERMINATION.—

21 (A) IN GENERAL.—Section 6426(c)(6) is
22 amended by striking “December 31, 2017” and
23 inserting “December 31, 2024”.

1 (B) PAYMENTS.—Section 6427(e)(6)(B) is
2 amended by striking “December 31, 2017” and
3 inserting “December 31, 2024”.

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

7 (4) SPECIAL RULE FOR 2018.—Notwithstanding
8 any other provision of law, in the case of any bio-
9 diesel mixture credit properly determined under sec-
10 tion 6426(c) of the Internal Revenue Code of 1986
11 for the period beginning on January 1, 2018, and
12 ending on December 31, 2018, such credit shall be
13 allowed, and any refund or payment attributable to
14 such credit (including any payment under section
15 6427(e) of such Code) shall be made, only in such
16 manner as the Secretary of the Treasury (or the
17 Secretary’s delegate) shall provide. Such Secretary
18 shall issue guidance within 30 days after the date of
19 the enactment of this Act providing for a one-time
20 submission of claims covering periods described in
21 the preceding sentence. Such guidance shall provide
22 for a 180-day period for the submission of such
23 claims (in such manner as prescribed by such Sec-
24 retary) to begin not later than 30 days after such
25 guidance is issued. Such claims shall be paid by such

1 Secretary not later than 60 days after receipt. If
2 such Secretary has not paid pursuant to a claim
3 filed under this subsection within 60 days after the
4 date of the filing of such claim, the claim shall be
5 paid with interest from such date determined by
6 using the overpayment rate and method under sec-
7 tion 6621 of such Code.

8 **Subtitle C—Extensions for 2018**

9 **SEC. 121. NONBUSINESS ENERGY PROPERTY.**

10 (a) IN GENERAL.—Section 25C(g)(2) is amended by
11 striking “December 31, 2017” and inserting “December
12 31, 2018”.

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

16 **SEC. 122. QUALIFIED FUEL CELL MOTOR VEHICLES.**

17 (a) IN GENERAL.—Section 30B(k)(1) is amended by
18 striking “December 31, 2017” and inserting “December
19 31, 2018”.

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

1 **SEC. 123. 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, 2018”.

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. 124. 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, 2019”.

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

16 **SEC. 125. SECOND GENERATION BIOFUEL PRODUCER**
17 **CREDIT.**

18 (a) IN GENERAL.—Section 40(b)(6)(J)(i) is amended
19 by striking “January 1, 2018” and inserting “January 1,
20 2019”.

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

1 **SEC. 126. CREDIT FOR ELECTRICITY PRODUCED FROM**
2 **CERTAIN RENEWABLE RESOURCES.**

3 (a) IN GENERAL.—The following provisions of sec-
4 tion 45(d) are each amended by striking “January 1,
5 2018” each place it appears and inserting “January 1,
6 2019”:

7 (1) Paragraph (2)(A).

8 (2) Paragraph (3)(A).

9 (3) Paragraph (4)(B).

10 (4) Paragraph (6).

11 (5) Paragraph (7).

12 (6) Paragraph (9).

13 (7) Paragraph (11)(B).

14 (b) EXTENSION OF ELECTION TO TREAT QUALIFIED
15 FACILITIES AS ENERGY PROPERTY.—Section
16 48(a)(5)(C)(ii) is amended by striking “January 1, 2018”
17 and inserting “January 1, 2019”.

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

20 **SEC. 127. 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 “13-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. 128. ENERGY EFFICIENT HOMES CREDIT.**

5 (a) IN GENERAL.—Section 45L(g) is amended by
6 striking “December 31, 2017” and inserting “December
7 31, 2018”.

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

11 **SEC. 129. CLASSIFICATION OF CERTAIN RACE HORSES AS 3-**
12 **YEAR PROPERTY.**

13 (a) IN GENERAL.—Section 168(e)(3)(A)(i) is amend-
14 ed—

15 (1) by striking “January 1, 2018” in subclause
16 (I) and inserting “January 1, 2019”, and

17 (2) by striking “December 31, 2017” in sub-
18 clause (II) and inserting “December 31, 2018”.

19 (b) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to property placed in service after
21 December 31, 2017.

1 **SEC. 130. SPECIAL ALLOWANCE FOR SECOND GENERATION**
2 **BIOFUEL PLANT PROPERTY.**

3 (a) IN GENERAL.—Section 168(l)(2)(D) is amended
4 by striking “January 1, 2018” and inserting “January 1,
5 2019”.

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. 131. ENERGY EFFICIENT COMMERCIAL BUILDINGS DE-**
10 **DUCTION.**

11 (a) IN GENERAL.—Section 179D(h) is amended by
12 striking “December 31, 2017” and inserting “December
13 31, 2018”.

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. 132. ELECTION TO EXPENSE ADVANCED MINE SAFETY**
18 **EQUIPMENT.**

19 (a) IN GENERAL.—Section 179E(g) is amended by
20 striking “December 31, 2017” and inserting “December
21 31, 2018”.

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

1 **SEC. 133. EXTENSION OF SPECIAL RULE FOR SALES OR DIS-**
2 **POSITIONS TO IMPLEMENT FERC OR STATE**
3 **ELECTRIC RESTRUCTURING POLICY FOR**
4 **QUALIFIED ELECTRIC UTILITIES.**

5 (a) IN GENERAL.—Section 451(k)(3) is amended by
6 striking “January 1, 2018” and inserting “January 1,
7 2019”.

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

11 **SEC. 134. EXTENSION OF EXCISE TAX CREDITS RELATING**
12 **TO ALTERNATIVE FUELS.**

13 (a) EXTENSION.—

14 (1) IN GENERAL.—Sections 6426(d)(5) and
15 6426(e)(3) are each amended by striking “December
16 31, 2017” and inserting “December 31, 2018”.

17 (2) OUTLAY PAYMENTS FOR ALTERNATIVE
18 FUELS.—Section 6427(e)(6)(C) is amended by strik-
19 ing “December 31, 2017” and inserting “December
20 31, 2018”.

21 (3) EFFECTIVE DATE.—The amendments made
22 by this section shall apply to fuel sold or used after
23 December 31, 2017.

24 (b) SPECIAL RULE FOR 2018.—Notwithstanding any
25 other provision of law, in the case of any alternative fuel
26 credit properly determined under section 6426(d) of the

1 Internal Revenue Code of 1986 for the period beginning
2 on January 1, 2018, and ending on December 31, 2018,
3 such credit shall be allowed, and any refund or payment
4 attributable to such credit (including any payment under
5 section 6427(e) of such Code) shall be made, only in such
6 manner as the Secretary of the Treasury (or the Sec-
7 retary's delegate) shall provide. Such Secretary shall issue
8 guidance within 30 days after the date of the enactment
9 of this Act providing for a one-time submission of claims
10 covering periods described in the preceding sentence. Such
11 guidance shall provide for a 180-day period for the sub-
12 mission of such claims (in such manner as prescribed by
13 such Secretary) to begin not later than 30 days after such
14 guidance is issued. Such claims shall be paid by such Sec-
15 retary not later than 60 days after receipt. If such Sec-
16 retary has not paid pursuant to a claim filed under this
17 subsection within 60 days after the date of the filing of
18 such claim, the claim shall be paid with interest from such
19 date determined by using the overpayment rate and meth-
20 od under section 6621 of such Code.

21 **SEC. 135. 7-YEAR RECOVERY PERIOD FOR MOTORSPORTS**
22 **ENTERTAINMENT COMPLEXES.**

23 (a) IN GENERAL.—Section 168(i)(15)(D) is amended
24 by striking “December 31, 2017” and inserting “Decem-
25 ber 31, 2018”.

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

4 **SEC. 136. ACCELERATED DEPRECIATION FOR BUSINESS**
5 **PROPERTY ON INDIAN RESERVATION.**

6 (a) IN GENERAL.—Section 168(j)(9) is amended by
7 striking “December 31, 2017” and inserting “December
8 31, 2018”.

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

12 **SEC. 137. EXPENSING RULES FOR CERTAIN PRODUCTIONS.**

13 (a) IN GENERAL.—Section 181(g) is amended by
14 striking “December 31, 2017” and inserting “December
15 31, 2018”.

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

19 **SEC. 138. INDIAN EMPLOYMENT CREDIT.**

20 (a) IN GENERAL.—Section 45A(f) is amended by
21 striking “December 31, 2017” and inserting “December
22 31, 2018”.

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

1 **SEC. 139. MINE RESCUE TEAM TRAINING CREDIT.**

2 (a) IN GENERAL.—Section 45N(e) is amended by
3 striking “December 31, 2017” and inserting “December
4 31, 2018”.

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

8 **SEC. 140. EXCLUSION FROM GROSS INCOME OF DISCHARGE**
9 **OF QUALIFIED PRINCIPAL RESIDENCE IN-**
10 **DEBTEDNESS.**

11 (a) IN GENERAL.—Section 108(a)(1)(E) is amended
12 by striking “January 1, 2018” each place it appears and
13 inserting “January 1, 2019”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 this section shall apply to discharges of indebtedness after
16 December 31, 2017.

17 **SEC. 141. TREATMENT OF MORTGAGE INSURANCE PRE-**
18 **MIUMS AS QUALIFIED RESIDENCE INTEREST.**

19 (a) IN GENERAL.—Section 163(h)(3)(E)(iv)(I) is
20 amended by striking “December 31, 2017” and inserting
21 “December 31, 2018”.

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

1 **SEC. 142. DEDUCTION OF QUALIFIED TUITION AND RE-**
2 **LATED EXPENSES.**

3 (a) IN GENERAL.—Section 222(e) is amended by
4 striking “December 31, 2017” and inserting “December
5 31, 2018”.

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

9 **SEC. 143. EXTENSION OF EMPOWERMENT ZONE TAX INCEN-**
10 **TIVES.**

11 (a) IN GENERAL.—Section 1391(d)(1)(A)(i) is
12 amended by striking “December 31, 2017” and inserting
13 “December 31, 2018”.

14 (b) TREATMENT OF CERTAIN TERMINATION DATES
15 SPECIFIED IN NOMINATIONS.—In the case of a designa-
16 tion of an empowerment zone the nomination for which
17 included a termination date which is contemporaneous
18 with the date specified in subparagraph (A)(i) of section
19 1391(d)(1) of the Internal Revenue Code of 1986 (as in
20 effect before the enactment of this Act), subparagraph (B)
21 of such section shall not apply with respect to such des-
22 ignation if, after the date of the enactment of this section,
23 the entity which made such nomination amends the nomi-
24 nation to provide for a new termination date in such man-
25 ner as the Secretary of the Treasury (or the Secretary’s
26 designee) may provide.

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

4 **SEC. 144. AMERICAN SAMOA ECONOMIC DEVELOPMENT**
5 **CREDIT.**

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

8 (1) by striking “January 1, 2018” each place
9 it appears and inserting “January 1, 2019”,

10 (2) by striking “first 12 taxable years” in para-
11 graph (1) and inserting “first 13 taxable years”,

12 (3) by striking “first 6 taxable years” in para-
13 graph (2) and inserting “first 7 taxable years”, and

14 (4) by adding at the end the following flush
15 sentence:

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

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

1 **Subtitle D—Extensions for 2019**

2 **SEC. 151. EXTENSION OF OIL SPILL LIABILITY TRUST FUND**

3 **RATE.**

4 Section 4611(f)(2) is amended by striking “Decem-
5 ber 31, 2018” and inserting “December 31, 2019”.

6 **SEC. 152. BLACK LUNG LIABILITY TRUST FUND EXCISE TAX.**

7 Section 4121(e)(2)(A) is amended by striking “De-
8 cember 31, 2018” and inserting “December 31, 2019”.

9 **TITLE II—DISASTER TAX RELIEF**

10 **SEC. 201. DEFINITIONS.**

11 For purposes of this title—

12 (1) HURRICANE FLORENCE.—

13 (A) HURRICANE FLORENCE DISASTER
14 ZONE.—The term “Hurricane Florence disaster
15 zone” means that portion of the Hurricane
16 Florence disaster area determined by the Presi-
17 dent to warrant individual or individual and
18 public assistance from the Federal Government
19 under the Robert T. Stafford Disaster Relief
20 and Emergency Assistance Act by reason of
21 Hurricane Florence.

22 (B) HURRICANE FLORENCE DISASTER
23 AREA.—The term “Hurricane Florence disaster
24 area” means an area with respect to which a
25 major disaster has been declared by the Presi-

1 dent before November 26, 2018, under section
2 401 of such Act by reason of Hurricane Flor-
3 ence.

4 (2) HURRICANE MICHAEL.—

5 (A) HURRICANE MICHAEL DISASTER
6 ZONE.—The term “Hurricane Michael disaster
7 zone” means that portion of the Hurricane Mi-
8 chael disaster area determined by the President
9 to warrant individual or individual and public
10 assistance from the Federal Government under
11 the Robert T. Stafford Disaster Relief and
12 Emergency Assistance Act by reason of Hurri-
13 cane Michael.

14 (B) HURRICANE MICHAEL DISASTER
15 AREA.—The term “Hurricane Michael disaster
16 area” means an area with respect to which a
17 major disaster has been declared by the Presi-
18 dent before November 26, 2018, under section
19 401 of such Act by reason of Hurricane Mi-
20 chael.

21 (3) TYPHOON MANGKHUT.—

22 (A) TYPHOON MANGKHUT DISASTER
23 ZONE.—The term “Typhoon Mangkhut disaster
24 zone” means that portion of the Typhoon
25 Mangkut disaster area determined by the Presi-

1 dent to warrant individual or individual and
2 public assistance from the Federal Government
3 under the Robert T. Stafford Disaster Relief
4 and Emergency Assistance Act by reason of Ty-
5 phoon Mangkhut.

6 (B) TYPHOON MANGKHUT DISASTER
7 AREA.—The term “Typhoon Mangkhut disaster
8 area” means an area with respect to which a
9 major disaster has been declared by the Presi-
10 dent before November 26, 2018, under section
11 401 of such Act by reason of Typhoon
12 Mangkhut.

13 (4) TYPHOON YUTU.—

14 (A) TYPHOON YUTU DISASTER ZONE.—
15 The term “Typhoon Yutu disaster zone” means
16 that portion of the Typhoon Yutu disaster area
17 determined by the President to warrant indi-
18 vidual or individual and public assistance from
19 the Federal Government under the Robert T.
20 Stafford Disaster Relief and Emergency Assist-
21 ance Act by reason of Typhoon Yutu.

22 (B) TYPHOON YUTU DISASTER AREA.—
23 The term “Typhoon Yutu disaster area” means
24 an area with respect to which a major disaster
25 has been declared by the President before No-

1 vember 26, 2018, under section 401 of such Act
2 by reason of Typhoon Yutu.

3 (5) MENDOCINO WILDFIRE.—

4 (A) MENDOCINO WILDFIRE DISASTER
5 ZONE.—The term “Mendocino wildfire disaster
6 zone” means that portion of the Mendocino
7 wildfire disaster area determined by the Presi-
8 dent to warrant individual or individual and
9 public assistance from the Federal Government
10 under the Robert T. Stafford Disaster Relief
11 and Emergency Assistance Act by reason of the
12 wildfire in California commonly known as the
13 Mendocino wildfire of 2018.

14 (B) MENDOCINO WILDFIRE DISASTER
15 AREA.—The term “Mendocino wildfire disaster
16 area” means an area with respect to which be-
17 tween August 4, 2018, and November 26, 2018,
18 a major disaster has been declared by the Presi-
19 dent under section 401 of such Act by reason
20 of the wildfire in California commonly known as
21 the Mendocino wildfire of 2018.

22 (6) CAMP AND WOOLSEY WILDFIRE.—

23 (A) CAMP AND WOOLSEY WILDFIRE DIS-
24 ASTER ZONE.—The term “Camp and Woolsey
25 wildfire disaster zone” means that portion of

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

9 (B) CAMP AND WOOLSEY WILDFIRE DIS-
10 ASTER AREA.—The term “Camp and Woolsey
11 wildfire disaster area” means an area with re-
12 spect to which between November 12, 2018,
13 and November 26, 2018, a major disaster has
14 been declared by the President under section
15 401 of such Act by reason of the wildfires in
16 California commonly known as the Camp and
17 Woolsey wildfires of 2018.

18 (7) KILAUEA VOLCANIC ERUPTION AND EARTH-
19 QUAKES.—

20 (A) KILAUEA VOLCANIC ERUPTION AND
21 EARTHQUAKE DISASTER ZONE.—The term
22 “Kilauea volcanic eruption and earthquake dis-
23 aster zone” means that portion of the Kilauea
24 volcanic eruption and earthquake disaster area
25 determined by the President to warrant indi-

1 vidual or individual and public assistance from
2 the Federal Government under the Robert T.
3 Stafford Disaster Relief and Emergency Assist-
4 ance Act by reason of the Kilauea volcanic
5 eruption or earthquakes occurring in Hawaii
6 during the period beginning on May 3, 2018,
7 and ending on August 17, 2018.

8 (B) KILAUEA VOLCANIC ERUPTION AND
9 EARTHQUAKE DISASTER AREA.—The term
10 “Kilauea volcanic eruption and earthquake dis-
11 aster area” means an area with respect to
12 which between May 11, 2018, and November
13 26, 2018, a major disaster has been declared by
14 the President under section 401 of such Act by
15 reason of the Kilauea volcanic eruption or
16 earthquakes occurring in Hawaii during the pe-
17 riod beginning on May 3, 2018, and ending on
18 August 17, 2018.

19 (8) HAWAII SEVERE STORMS, FLOODING, LAND-
20 SLIDES, AND MUDSLIDES.—

21 (A) HAWAII SEVERE STORMS, FLOODING,
22 LANDSLIDE, AND MUDSLIDE DISASTER ZONE.—
23 The term “Hawaii severe storms, flooding,
24 landslides, and mudslides disaster zone” means
25 that portion of the Hawaii severe storms, flood-

1 ing, landslides, and mudslides disaster area de-
2 termined by the President to warrant individual
3 or individual and public assistance from the
4 Federal Government under the Robert T. Staf-
5 ford Disaster Relief and Emergency Assistance
6 Act by reason of the severe storms, flooding,
7 landslides, or mudslides occurring in Hawaii
8 during the period beginning on April 13, 2018,
9 and ending on April 16, 2018.

10 (B) HAWAII SEVERE STORMS, FLOODING,
11 LANDSLIDES, AND MUDSLIDE DISASTERS
12 AREA.—The term “Hawaii severe storms, flood-
13 ing, landslides, and mudslides disaster area”
14 means an area with respect to which between
15 May 8, 2018, and November 26, 2018, a major
16 disaster has been declared by the President
17 under section 401 of such Act by reason of the
18 severe storms, flooding, landslides, or mudslides
19 occurring in Hawaii during the period begin-
20 ning on April 13, 2018, and ending on April
21 16, 2018.

22 **SEC. 202. SPECIAL DISASTER-RELATED RULES FOR USE OF**
23 **RETIREMENT FUNDS.**

24 (a) TAX-FAVORED WITHDRAWALS FROM RETIRE-
25 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 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 disaster distributions for
9 any taxable year shall not exceed the excess (if
10 any) of—

11 (i) \$100,000, over

12 (ii) the aggregate amounts treated as
13 qualified disaster distributions received by
14 such individual for all prior taxable years.

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

1 of any controlled group which includes the em-
2 ployer) to such individual exceeds \$100,000.

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

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

14 (3) AMOUNT DISTRIBUTED MAY BE REPAYED.—

15 (A) IN GENERAL.—Any individual who re-
16 ceives a qualified disaster distribution may, at
17 any time during the 3-year period beginning on
18 the day after the date on which such distribu-
19 tion was received, make 1 or more contributions
20 in an aggregate amount not to exceed the
21 amount of such distribution to an eligible retire-
22 ment plan of which such individual is a bene-
23 ficiary and to which a rollover contribution of
24 such distribution could be made under section
25 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or

1 457(e)(16), of the Internal Revenue Code of
2 1986, as the case may be.

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

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

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

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

10 (A) QUALIFIED DISASTER DISTRIBUTION.—Except as provided in paragraph (2),
11 the term “qualified disaster distribution”
12 means—
13

14 (i) any distribution from an eligible
15 retirement plan made on or after Sep-
16 tember 7, 2018, and before January 1,
17 2020, to an individual whose principal
18 place of abode on September 7, 2018, is lo-
19 cated in the Hurricane Florence disaster
20 area and who has sustained an economic
21 loss by reason of Hurricane Florence,

22 (ii) any distribution from an eligible
23 retirement plan made on or after October
24 7, 2018, and before January 1, 2020, to
25 an individual whose principal place of

1 abode on October 7, 2018, is located in the
2 Hurricane Michael disaster area and who
3 has sustained an economic loss by reason
4 of Hurricane Michael,

5 (iii) any distribution from an eligible
6 retirement plan made on or after Sep-
7 tember 10, 2018, and before January 1,
8 2020, to an individual whose principal
9 place of abode on September 10, 2018, is
10 located in the Typhoon Mangkhut disaster
11 area and who has sustained an economic
12 loss by reason of Typhoon Mangkhut,

13 (iv) any distribution from an eligible
14 retirement plan made on or after October
15 24, 2018, and before January 1, 2020, to
16 an individual whose principal place of
17 abode on October 24, 2018, is located in
18 the Typhoon Yutu disaster area and who
19 has sustained an economic loss by reason
20 of Typhoon Yutu,

21 (v) any distribution from an eligible
22 retirement plan made on or after July 23,
23 2018, and before January 1, 2020, to an
24 individual whose principal place of abode
25 during any portion of the period from July

1 23, 2018, to September 19, 2018, is lo-
2 cated in the Mendocino wildfire disaster
3 area and who has sustained an economic
4 loss by reason of the wildfires to which the
5 declaration of such area relates,

6 (vi) any distribution from an eligible
7 retirement plan made on or after Novem-
8 ber 8, 2018, and before January 1, 2020,
9 to an individual whose principal place of
10 abode during any portion of the period
11 from November 8, 2018, to November 30,
12 2018, is located in the Camp and Woolsey
13 wildfire disaster area and who has sus-
14 tained an economic loss by reason of the
15 wildfires to which the declaration of such
16 area relates,

17 (vii) any distribution from an eligible
18 retirement plan made on or after May 3,
19 2018, and before January 1, 2020, to an
20 individual whose principal place of abode
21 during any portion of the period from May
22 3, 2018, to August 17, 2018, is located in
23 the Kilauea volcanic eruption and earth-
24 quake disaster area and who has sustained
25 an economic loss by reason of the volcanic

1 eruption or earthquakes to which the dec-
2 laration of such area relates, and

3 (viii) any distribution from an eligible
4 retirement plan made on or after April 13,
5 2018, and before January 1, 2020, to an
6 individual whose principal place of abode
7 on April 13, 2018, is located in the Hawaii
8 severe storms, flooding, landslides, and
9 mudslides disaster area and who has sus-
10 tained an economic loss by reason of the
11 severe storms, flooding, landslides, and
12 mudslides to which the declaration of such
13 area relates.

14 (B) ELIGIBLE RETIREMENT PLAN.—The
15 term “eligible retirement plan” shall have the
16 meaning given such term by section
17 402(c)(8)(B) of the Internal Revenue Code of
18 1986.

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

21 (A) IN GENERAL.—In the case of any
22 qualified disaster distribution, unless the tax-
23 payer elects not to have this paragraph apply
24 for any taxable year, any amount required to be
25 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 disaster dis-
13 tributions shall not be treated as eligible roll-
14 over distributions.

15 (B) QUALIFIED DISASTER DISTRIBUTIONS
16 TREATED AS MEETING PLAN DISTRIBUTION RE-
17 QUIREMENTS.—For purposes the Internal Rev-
18 enue Code of 1986, a qualified disaster dis-
19 tribution shall be treated as meeting the re-
20 quirements 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.—

1 (A) IN GENERAL.—Any individual who re-
2 ceived a qualified distribution may, during the
3 applicable period, make 1 or more contributions
4 in an aggregate amount not to exceed the
5 amount of such qualified distribution to an eli-
6 gible retirement plan (as defined in section
7 402(c)(8)(B) of the Internal Revenue Code of
8 1986) of which such individual is a beneficiary
9 and to which a rollover contribution of such dis-
10 tribution could be made under section 402(c),
11 403(a)(4), 403(b)(8), or 408(d)(3), of such
12 Code, as the case may be.

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

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

19 (A) IN GENERAL.—The term “qualified
20 distribution” means any qualified Florence dis-
21 tribution, any qualified Michael distribution,
22 any qualified Mangkhut distribution, any quali-
23 fied Yutu distribution, any qualified Mendocino
24 distribution, any qualified Camp and Woolsey

1 distribution, any qualified Kilauea distribution,
2 and any qualified Hawaii distribution.

3 (B) QUALIFIED FLORENCE DISTRIBUTION.—The term “qualified Florence distribu-
4 tion” means any distribution—
5

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

12 (ii) received after February 28, 2018,
13 and before November 8, 2018, and

14 (iii) which was to be used to purchase
15 or construct a principal residence in the
16 Hurricane Florence disaster area, but
17 which was not so purchased or constructed
18 on account of Hurricane Florence.

19 (C) QUALIFIED MICHAEL DISTRIBUTION.—
20 The term “qualified Michael distribution”
21 means any distribution—

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

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

3 (ii) received after February 28, 2018,
4 and before November 23, 2018, and

5 (iii) which was to be used to purchase
6 or construct a principal residence in the
7 Hurricane Michael disaster area, but which
8 was not so purchased or constructed on ac-
9 count of Hurricane Michael.

10 (D) QUALIFIED MANGKHUT DISTRIBUTION.—The term “qualified Mangkhut distribu-
11 tion” means any distribution—
12

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

19 (ii) received after February 28, 2018,
20 and before October 11, 2018, and

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

1 (E) QUALIFIED YUTU DISTRIBUTION.—

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

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

10 (ii) received after February 28, 2018,
11 and before November 26, 2018, and

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

17 (F) QUALIFIED MENDOCINO DISTRIBUTION.—The term “qualified Mendocino dis-
18 tribution” means any distribution—

19 (i) described in section
20 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but
21 only to the extent such distribution relates
22 to financial hardship), 403(b)(11)(B), or
23 72(t)(2)(F), of the Internal Revenue Code
24 of 1986,
25

1 (ii) received after February 28, 2018,
2 and before October 19, 2018, and

3 (iii) which was to be used to purchase
4 or construct a principal residence in the
5 Mendocino wildfire disaster area, but
6 which was not so purchased or constructed
7 on account of the wildfires to which the
8 declaration of such area relates.

9 (G) QUALIFIED CAMP AND WOOLSEY DIS-
10 TRIBUTION.—The term “qualified Camp and
11 Woolsey distribution” means any distribution—

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

18 (ii) received after February 28, 2018,
19 and before December 30, 2018, and

20 (iii) which was to be used to purchase
21 or construct a principal residence in the
22 Camp and Woolsey wildfire disaster area,
23 but which was not so purchased or con-
24 structed on account of the wildfires to
25 which the declaration of such area relates.

1 (H) QUALIFIED KILAUEA DISTRIBUTION.—

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

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

10 (ii) received after February 28, 2018,
11 and before September 17, 2019, and

12 (iii) which was to be used to purchase
13 or construct a principal residence in the
14 Kilauea disaster area, but which was not
15 so purchased or constructed on account of
16 the volcanic eruption and earthquakes to
17 which the declaration of such area relates.

18 (I) QUALIFIED HAWAII DISTRIBUTION.—

19 The term “qualified Hawaii distribution”
20 means any distribution—

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

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

3 (ii) received after February 28, 2018,
4 and before May 16, 2018, and

5 (iii) which was to be used to purchase
6 or construct a principal residence in the
7 Hawaii severe storms, flooding, landslides,
8 and mudslides disaster area, but which was
9 not so purchased or constructed on ac-
10 count of the severe storms, flooding, land-
11 slides, and mudslides to which the declara-
12 tion of such area relates.

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

15 (A) with respect to any qualified Florence
16 distribution, the period beginning on September
17 7, 2018, and ending on February 28, 2019,

18 (B) with respect to any qualified Michael
19 distribution, the period beginning on October 7,
20 2018, and ending on February 28, 2019,

21 (C) with respect to any qualified Mangkhut
22 distribution, the period beginning on September
23 10, 2018, and ending on February 28, 2019,

1 (D) with respect to any qualified Yutu dis-
2 tribution, the period beginning on October 24,
3 2018, and ending on February 28, 2019,

4 (E) with respect to any qualified
5 Mendocino distribution, the period beginning on
6 July 23, 2018, and ending on February 28,
7 2019,

8 (F) with respect to any qualified Camp
9 and Woolsey distribution, the period beginning
10 on November 8, 2018, and ending on February
11 28, 2019,

12 (G) with respect to any qualified Kilauea
13 distribution, the period beginning on May 3,
14 2018, and ending on February 28, 2019, and

15 (H) with respect to any qualified Hawaii
16 distribution, the period beginning on April 13,
17 2018, and ending on February 28, 2019.

18 (c) LOANS FROM QUALIFIED PLANS.—

19 (1) INCREASE IN LIMIT ON LOANS NOT TREAT-
20 ED AS DISTRIBUTIONS.—In the case of any loan
21 from a qualified employer plan (as defined under
22 section 72(p)(4) of the Internal Revenue Code of
23 1986) to a qualified individual made during the pe-
24 riod beginning on the date of the enactment of this
25 Act and ending on December 31, 2019—

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

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

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

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

22 (B) any subsequent repayments with re-
23 spect to any such loan shall be appropriately
24 adjusted to reflect the delay in the due date

1 under paragraph (1) and any interest accruing
2 during such delay, and

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

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

10 (A) IN GENERAL.—The term “qualified in-
11 dividual” means any qualified Florence indi-
12 vidual, any qualified Michael individual, any
13 qualified Mangkhut individual, any qualified
14 Yutu individual, any qualified Mendocino indi-
15 vidual, any qualified Camp and Woolsey indi-
16 vidual, any qualified Kilauea individual, and
17 any qualified Hawaii individual.

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

1 (C) QUALIFIED MICHAEL INDIVIDUAL.—

2 The term “qualified Michael individual” means
3 any individual whose principal place of abode on
4 October 7, 2018, is located in the Hurricane
5 Michael disaster area and who has sustained an
6 economic loss by reason of Hurricane Michael.

7 (D) QUALIFIED MANGKHUT INDIVIDUAL.—

8 The term “qualified Mangkhut individual”
9 means any individual whose principal place of
10 abode on September 10, 2018, is located in the
11 Typhoon Mangkhut disaster area and who has
12 sustained an economic loss by reason of Ty-
13 phoon Mangkhut.

14 (E) QUALIFIED YUTU INDIVIDUAL.—The

15 term “qualified Yutu individual” means any in-
16 dividual whose principal place of abode on Octo-
17 ber 24, 2018, is located in the Typhoon Yutu
18 disaster area and who has sustained an eco-
19 nomic loss by reason of Typhoon Yutu.

20 (F) QUALIFIED MENDOCINO INDI-

21 VIDUAL.—The term “qualified Mendocino indi-
22 vidual” means any individual whose principal
23 place of abode during any portion of the period
24 from July 23, 2018, to September 19, 2018, is
25 located in the Mendocino wildfire disaster area

1 and who has sustained an economic loss by rea-
2 son of wildfires to which the declaration of such
3 area relates.

4 (G) QUALIFIED CAMP AND WOOLSEY INDI-
5 VIDUAL.—The term “qualified Camp and Wool-
6 sey individual” means any individual whose
7 principal place of abode during any portion of
8 the period from November 8, 2018, to Novem-
9 ber 30, 2018, is located in the Camp and Wool-
10 sey wildfire disaster area and who has sustained
11 an economic loss by reason of wildfires to which
12 the declaration of such area relates.

13 (H) QUALIFIED KILAUEA INDIVIDUAL.—
14 The term “qualified Kilauea individual” means
15 any individual whose principal place of abode
16 during any portion of the period from May 3,
17 2018, to August 17, 2018, is located in the
18 Kilauea volcanic eruption and earthquake dis-
19 aster area and who has sustained an economic
20 loss by reason of the volcanic eruption and
21 earthquakes to which the declaration of such
22 area relates.

23 (I) QUALIFIED HAWAII INDIVIDUAL.—The
24 term “qualified Hawaii individual” means any
25 individual whose principal place of abode on

1 April 13, 2018, is located in the Hawaii severe
2 storms, flooding, landslides and mudslides dis-
3 aster area and who has sustained an economic
4 loss by reason of the severe storms, flooding,
5 landslides, and mudslides to which the declara-
6 tion of such area relates.

7 (4) QUALIFIED BEGINNING DATE.—For pur-
8 poses of this subsection—

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

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

15 (C) TYPHOON MANGKHUT.—In the case of
16 any qualified Mangkhut individual, the qualified
17 beginning date is September 10, 2018.

18 (D) TYPHOON YUTU.—In the case of any
19 qualified Yutu individual, the qualified begin-
20 ning date is October 24, 2018.

21 (E) MENDOCINO WILDFIRE.—In the case
22 of any qualified Mendocino individual, the
23 qualified beginning date is July 23, 2018.

24 (F) CAMP AND WOOLSEY WILDFIRE.—In
25 the case of any qualified Camp and Woolsey in-

1 dividual, the qualified beginning date is Novem-
2 ber 8, 2018.

3 (G) KILAUEA VOLCANIC ERUPTION AND
4 EARTHQUAKES.—In the case of any qualified
5 Kilauea individual, the qualified beginning date
6 is May 3, 2018.

7 (H) HAWAII SEVERE STORMS, FLOODING,
8 LANDSLIDES, AND MUDSLIDES.—In the case of
9 any qualified Hawaii individual, the qualified
10 beginning date is April 13, 2018.

11 (d) PROVISIONS RELATING TO PLAN AMEND-
12 MENTS.—

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

18 (2) AMENDMENTS TO WHICH SUBSECTION AP-
19 PLIES.—

20 (A) IN GENERAL.—This subsection shall
21 apply to any amendment to any plan or annuity
22 contract which is made—

23 (i) pursuant to any provision of this
24 section, or pursuant to any regulation
25 issued by the Secretary or the Secretary of

1 Labor under any provision of this section,
2 and
3 (ii) on or before the last day of the
4 first plan year beginning on or after Janu-
5 ary 1, 2020, or such later date as the Sec-
6 retary may prescribe.

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

12 (B) CONDITIONS.—This subsection shall
13 not apply to any amendment unless—

14 (i) during the period—

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

22 (II) ending on the date described
23 in subparagraph (A)(ii) (or, if earlier,
24 the date the plan or contract amend-
25 ment is adopted),

1 the plan or contract is operated as if such plan
2 or contract amendment were in effect, and

3 (ii) such plan or contract amendment
4 applies retroactively for such period.

5 **SEC. 203. EMPLOYMENT RELIEF.**

6 (a) **EMPLOYEE RETENTION CREDIT FOR EMPLOYERS**
7 **AFFECTED BY HURRICANE FLORENCE.—**

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 Florence 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 Florence employee
14 retention 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 7, 2018, in the
3 Hurricane Florence 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 7, 2018,
7 and before January 1, 2019, as a result of
8 damage sustained by reason of Hurricane
9 Florence.

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 7, 2018, with
14 such eligible employer was in the Hurricane
15 Florence 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 7, 2018, and before
23 January 1, 2019, 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 Flor-
6 ence, 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), 52, and 280C(a), of the Internal Rev-
21 enue Code 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 section 51
2 of the Internal Revenue Code of 1986 with respect
3 to such employee for such period.

4 (b) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS
5 AFFECTED BY HURRICANE MICHAEL.—

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

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

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

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

1 (ii) with respect to whom the trade or
2 business described in clause (i) is inoper-
3 able on any day after October 7, 2018, and
4 before January 1, 2019, as a result of
5 damage sustained by reason of Hurricane
6 Michael.

7 (B) ELIGIBLE EMPLOYEE.—The term “eli-
8 gible employee” means with respect to an eligi-
9 ble employer an employee whose principal place
10 of employment on October 7, 2018, with such
11 eligible employer was in the Hurricane Michael
12 disaster zone.

13 (C) QUALIFIED WAGES.—The term “quali-
14 fied wages” means wages (as defined in section
15 51(c)(1) of the Internal Revenue Code of 1986,
16 but without regard to section 3306(b)(2)(B) of
17 such Code) paid or incurred by an eligible em-
18 ployer with respect to an eligible employee on
19 any day after October 7, 2018, and before Jan-
20 uary 1, 2019, which occurs during the period—

21 (i) beginning on the date on which the
22 trade or business described in subpara-
23 graph (A) first became inoperable at the
24 principal place of employment of the em-

1 ployee immediately before Hurricane Mi-
2 chael, and

3 (ii) ending on the date on which such
4 trade or business has resumed significant
5 operations at such principal place of em-
6 ployment.

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

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

18 (4) EMPLOYEE NOT TAKEN INTO ACCOUNT
19 MORE THAN ONCE.—An employee shall not be treat-
20 ed as an eligible employee for purposes of this sub-
21 section for any period with respect to any employer
22 if such employer is allowed a credit under section 51
23 of the Internal Revenue Code of 1986 with respect
24 to such employee for such period.

1 (c) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS
2 AFFECTED BY TYPHOON MANGKHUT.—

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

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

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

20 (i) which conducted an active trade or
21 business on September 10, 2018, in the
22 Typhoon Mangkhut disaster zone, and

23 (ii) with respect to whom the trade or
24 business described in clause (i) is inoper-
25 able on any day after September 10, 2018,

1 and before January 1, 2019, as a result of
2 damage sustained by reason of Typhoon
3 Mangkhut.

4 (B) ELIGIBLE EMPLOYEE.—The term “eli-
5 gible employee” means with respect to an eligi-
6 ble employer an employee whose principal place
7 of employment on September 10, 2018, with
8 such eligible employer was in the Typhoon
9 Mangkhut disaster zone.

10 (C) QUALIFIED WAGES.—The term “quali-
11 fied wages” means wages (as defined in section
12 51(c)(1) of the Internal Revenue Code of 1986,
13 but without regard to section 3306(b)(2)(B) of
14 such Code) paid or incurred by an eligible em-
15 ployer with respect to an eligible employee on
16 any day after September 10, 2018, and before
17 January 1, 2019, which occurs during the pe-
18 riod—

19 (i) beginning on the date on which the
20 trade or business described in subpara-
21 graph (A) first became inoperable at the
22 principal place of employment of the em-
23 ployee immediately before Typhoon
24 Mangkhut, and

1 (ii) ending on the date on which such
2 trade or business has resumed significant
3 operations at such principal place of em-
4 ployment.

5 Such term shall include wages paid without re-
6 gard to whether the employee performs no serv-
7 ices, performs services at a different place of
8 employment than such principal place of em-
9 ployment, or performs services at such principal
10 place of employment before significant oper-
11 ations have resumed.

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

16 (4) EMPLOYEE NOT TAKEN INTO ACCOUNT
17 MORE THAN ONCE.—An employee shall not be treat-
18 ed as an eligible employee for purposes of this sub-
19 section for any period with respect to any employer
20 if such employer is allowed a credit under section 51
21 of the Internal Revenue Code of 1986 with respect
22 to such employee for such period.

23 (d) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS
24 AFFECTED BY TYPHOON YUTU.—

1 (1) IN GENERAL.—For purposes of section 38
2 of the Internal Revenue Code of 1986, in the case
3 of an eligible employer, the Typhoon Yutu employee
4 retention credit shall be treated as a credit listed in
5 subsection (b) of such section. For purposes of this
6 subsection, the Typhoon Yutu employee retention
7 credit for any taxable year is an amount equal to 40
8 percent of the qualified wages with respect to each
9 eligible employee of such employer for such taxable
10 year. For purposes of the preceding sentence, the
11 amount of qualified wages which may be taken into
12 account with respect to any individual shall not ex-
13 ceed \$6,000.

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

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

18 (i) which conducted an active trade or
19 business on October 24, 2018, in the Ty-
20 phoon Yutu disaster zone, and

21 (ii) with respect to whom the trade or
22 business described in clause (i) is inoper-
23 able on any day after October 24, 2018,
24 and before January 1, 2019, as a result of

1 damage sustained by reason of Typhoon
2 Yutu.

3 (B) ELIGIBLE EMPLOYEE.—The term “eli-
4 gible employee” means with respect to an eligi-
5 ble employer an employee whose principal place
6 of employment on October 24, 2018, with such
7 eligible employer was in the Typhoon Yutu dis-
8 aster zone.

9 (C) QUALIFIED WAGES.—The term “quali-
10 fied wages” means wages (as defined in section
11 51(c)(1) of the Internal Revenue Code of 1986,
12 but without regard to section 3306(b)(2)(B) of
13 such Code) paid or incurred by an eligible em-
14 ployer with respect to an eligible employee on
15 any day after October 24, 2018, and before
16 January 1, 2019, which occurs during the pe-
17 riod—

18 (i) beginning on the date on which the
19 trade or business described in subpara-
20 graph (A) first became inoperable at the
21 principal place of employment of the em-
22 ployee immediately before Typhoon Yutu,
23 and

24 (ii) ending on the date on which such
25 trade or business has resumed significant

1 operations at such principal place of em-
2 ployment.

3 Such term shall include wages paid without re-
4 gard to whether the employee performs no serv-
5 ices, performs services at a different place of
6 employment than such principal place of em-
7 ployment, or performs services at such principal
8 place of employment before significant oper-
9 ations have resumed.

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

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

21 (e) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS
22 AFFECTED BY MENDOCINO WILDFIRES.—

23 (1) IN GENERAL.—For purposes of section 38
24 of the Internal Revenue Code of 1986, in the case
25 of an eligible employer, the Mendocino wildfire em-

1 ployee retention credit shall be treated as a credit
2 listed in subsection (b) of such section. For purposes
3 of this subsection, the Mendocino wildfire employee
4 retention credit for any taxable year is an amount
5 equal to 40 percent of the qualified wages with re-
6 spect to each eligible employee of such employer for
7 such taxable year. For purposes of the preceding
8 sentence, the amount of qualified wages which may
9 be taken into account with respect to any individual
10 shall not exceed \$6,000.

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

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

15 (i) which conducted an active trade or
16 business for any portion of the period from
17 July 23, 2018, to September 19, 2018, in
18 the Mendocino wildfire disaster zone, and

19 (ii) with respect to whom the trade or
20 business described in clause (i) is inoper-
21 able on any day after September 19, 2018,
22 and before January 1, 2019, as a result of
23 damage sustained by reason of the
24 wildfires to which the declaration of the
25 Mendocino wildfire disaster area relates.

1 (B) ELIGIBLE EMPLOYEE.—The term “eli-
2 gible employee” means with respect to an eligi-
3 ble employer an employee whose principal place
4 of employment for any portion of the period
5 from July 23, 2018, to September 19, 2018,
6 with such eligible employer was in the
7 Mendocino wildfire disaster zone.

8 (C) QUALIFIED WAGES.—The term “quali-
9 fied wages” means wages (as defined in section
10 51(c)(1) of the Internal Revenue Code of 1986,
11 but without regard to section 3306(b)(2)(B) of
12 such Code) paid or incurred by an eligible em-
13 ployer with respect to an eligible employee on
14 any day after July 23, 2018, and before Janu-
15 ary 1, 2019, which occurs during the period—

16 (i) beginning on the date on which the
17 trade or business described in subpara-
18 graph (A) first became inoperable at the
19 principal place of employment of the em-
20 ployee immediately before the wildfires to
21 which the declaration of the Mendocino
22 wildfire disaster area relates, and

23 (ii) ending on the date on which such
24 trade or business has resumed significant

1 operations at such principal place of em-
2 ployment.

3 Such term shall include wages paid without re-
4 gard to whether the employee performs no serv-
5 ices, performs services at a different place of
6 employment than such principal place of em-
7 ployment, or performs services at such principal
8 place of employment before significant oper-
9 ations have resumed.

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

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

21 (f) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS
22 AFFECTED BY CAMP AND WOOLSEY WILDFIRES.—

23 (1) IN GENERAL.—For purposes of section 38
24 of the Internal Revenue Code of 1986, in the case
25 of an eligible employer, the Camp and Woolsey wild-

1 fire employee retention credit shall be treated as a
2 credit listed in subsection (b) of such section. For
3 purposes of this subsection, the Camp and Woolsey
4 wildfire employee retention credit for any taxable
5 year is an amount equal to 40 percent of the quali-
6 fied wages with respect to each eligible employee of
7 such employer for such taxable year. For purposes
8 of the preceding sentence, the amount of qualified
9 wages which may be taken into account with respect
10 to any individual shall not exceed \$6,000.

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

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

15 (i) which conducted an active trade or
16 business for any portion of the period from
17 November 8, 2018, to January 1, 2019, in
18 the Camp and Woolsey wildfire disaster
19 zone, and

20 (ii) with respect to whom the trade or
21 business described in clause (i) is inoper-
22 able on any day after November 8, 2018,
23 and before January 1, 2019, as a result of
24 damage sustained by reason of the
25 wildfires to which the declaration of the

1 Camp and Woolsey wildfire disaster area
2 relates.

3 (B) ELIGIBLE EMPLOYEE.—The term “eli-
4 gible employee” means with respect to an eligi-
5 ble employer an employee whose principal place
6 of employment for any portion of the period
7 from November 8, 2018, to November 30,
8 2018, with such eligible employer was in the
9 Camp and Woolsey wildfire disaster zone.

10 (C) QUALIFIED WAGES.—The term “quali-
11 fied wages” means wages (as defined in section
12 51(c)(1) of the Internal Revenue Code of 1986,
13 but without regard to section 3306(b)(2)(B) of
14 such Code) paid or incurred by an eligible em-
15 ployer with respect to an eligible employee on
16 any day after November 8, 2018, and before
17 January 1, 2019, which occurs during the pe-
18 riod—

19 (i) beginning on the date on which the
20 trade or business described in subpara-
21 graph (A) first became inoperable at the
22 principal place of employment of the em-
23 ployee immediately before the wildfires to
24 which the declaration of the Camp and
25 Woolsey wildfire disaster area relates, and

1 (ii) ending on the date on which such
2 trade or business has resumed significant
3 operations at such principal place of em-
4 ployment.

5 Such term shall include wages paid without re-
6 gard to whether the employee performs no serv-
7 ices, performs services at a different place of
8 employment than such principal place of em-
9 ployment, or performs services at such principal
10 place of employment before significant oper-
11 ations have resumed.

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

16 (4) EMPLOYEE NOT TAKEN INTO ACCOUNT
17 MORE THAN ONCE.—An employee shall not be treat-
18 ed as an eligible employee for purposes of this sub-
19 section for any period with respect to any employer
20 if such employer is allowed a credit under section 51
21 of the Internal Revenue Code of 1986 with respect
22 to such employee for such period.

23 (g) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS
24 AFFECTED BY KILAUEA VOLCANIC ERUPTION AND
25 EARTHQUAKES.—

1 (1) IN GENERAL.—For purposes of section 38
2 of the Internal Revenue Code of 1986, in the case
3 of an eligible employer, the Kilauea volcanic eruption
4 and earthquake employee retention credit shall be
5 treated as a credit listed in subsection (b) of such
6 section. For purposes of this subsection, the Kilauea
7 volcanic eruption and earthquake employee retention
8 credit for any taxable year is an amount equal to 40
9 percent of the qualified wages with respect to each
10 eligible employee of such employer for such taxable
11 year. For purposes of the preceding sentence, the
12 amount of qualified wages which may be taken into
13 account with respect to any individual shall not ex-
14 ceed \$6,000.

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

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

19 (i) which conducted an active trade or
20 business for any portion of the period from
21 May 3, 2018, to August 17, 2018, in the
22 Kilauea volcanic eruption and earthquake
23 disaster zone, and

24 (ii) with respect to whom the trade or
25 business described in clause (i) is inoper-

1 able on any day after August 17, 2018,
2 and before January 1, 2019, as a result of
3 damage sustained by reason of the volcanic
4 eruption or earthquakes to which the dec-
5 laration of the Kilauea volcanic eruption
6 and earthquake disaster area relates.

7 (B) ELIGIBLE EMPLOYEE.—The term “eli-
8 gible employee” means with respect to an eligi-
9 ble employer an employee whose principal place
10 of employment for any portion of the period
11 from May 3, 2018, to August 17, 2018, with
12 such eligible employer was in the Kilauea vol-
13 canic eruption and earthquake disaster zone.

14 (C) QUALIFIED WAGES.—The term “quali-
15 fied wages” means wages (as defined in section
16 51(c)(1) of the Internal Revenue Code of 1986,
17 but without regard to section 3306(b)(2)(B) of
18 such Code) paid or incurred by an eligible em-
19 ployer with respect to an eligible employee on
20 any day after May 3, 2018, and before January
21 1, 2019, which occurs during the period—

22 (i) beginning on the date on which the
23 trade or business described in subpara-
24 graph (A) first became inoperable at the
25 principal place of employment of the em-

1 ployee immediately before the volcanic
2 eruption or earthquakes to which the dec-
3 laration of the Kilauea volcanic eruption
4 and earthquake disaster area relates, and

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

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

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

20 (4) EMPLOYEE NOT TAKEN INTO ACCOUNT
21 MORE THAN ONCE.—An employee shall not be treat-
22 ed as an eligible employee for purposes of this sub-
23 section for any period with respect to any employer
24 if such employer is allowed a credit under section 51

1 of the Internal Revenue Code of 1986 with respect
2 to such employee for such period.

3 (h) EMPLOYEE RETENTION CREDIT FOR EMPLOY-
4 ERS AFFECTED BY HAWAII SEVERE STORMS, FLOODING,
5 LANDSLIDES, AND MUDSLIDES.—

6 (1) IN GENERAL.—For purposes of section 38
7 of the Internal Revenue Code of 1986, in the case
8 of an eligible employer, the Hawaii severe storms,
9 flooding, landslides, and mudslides employee reten-
10 tion credit shall be treated as a credit listed in sub-
11 section (b) of such section. For purposes of this sub-
12 section, the Hawaii severe storms, flooding, land-
13 slides, and mudslides employee retention credit for
14 any taxable year is an amount equal to 40 percent
15 of the qualified wages with respect to each eligible
16 employee of such employer for such taxable year.
17 For purposes of the preceding sentence, the amount
18 of qualified wages which may be taken into account
19 with respect to any individual shall not exceed
20 \$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 April 13, 2018, in the Hawaii
3 severe storms, flooding, mudslides, and
4 landslides disaster zone, and

5 (ii) with respect to whom the trade or
6 business described in clause (i) is inoper-
7 able on any day after April 13, 2018, and
8 before January 1, 2019, as a result of
9 damage sustained by reason of the severe
10 storms, flooding, mudslides, or landslides
11 to which the declaration of the Hawaii se-
12 vere storms, flooding, mudslides, and land-
13 slides area relates.

14 (B) ELIGIBLE EMPLOYEE.—The term “eli-
15 gible employee” means with respect to an eligi-
16 ble employer an employee whose principal place
17 of employment on April 13, 2018, with such eli-
18 gible employer was in the Hawaii severe storms,
19 flooding, landslides, and mudslides disaster
20 zone.

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

1 ployer with respect to an eligible employee on
2 any day after April 13, 2018, and before Janu-
3 ary 1, 2019, which occurs during the period—

4 (i) beginning on the date on which the
5 trade or business described in subpara-
6 graph (A) first became inoperable at the
7 principal place of employment of the em-
8 ployee immediately before the severe
9 storms, flooding, landslides, and mudslides
10 to which the declaration of the Hawaii se-
11 vere storms, flooding, landslides, and
12 mudslides disaster area relates, and

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

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

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

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

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

10 **SEC. 204. OTHER DISASTER-RELATED TAX RELIEF PROVI-**
11 **SIONS.**

12 (a) TEMPORARY SUSPENSION OF LIMITATIONS ON
13 CHARITABLE CONTRIBUTIONS.—

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

21 (2) TREATMENT OF EXCESS CONTRIBUTIONS.—
22 For purposes of section 170 of the Internal Revenue
23 Code of 1986—

24 (A) INDIVIDUALS.—In the case of an indi-
25 vidual—

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

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

19 (B) CORPORATIONS.—In the case of a cor-
20 poration—

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 taxable income (as determined

1 under paragraph (2) of section 170(b) of
2 such Code) over the amount of all other
3 charitable contributions allowed under such
4 paragraph.

5 (ii) CARRYOVER.—Rules similar to the
6 rules of subparagraph (A)(ii) shall apply
7 for purposes of this subparagraph.

8 (3) QUALIFIED CONTRIBUTIONS.—

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

14 (i) such contribution—

15 (I) is paid during the period be-
16 ginning on April 13, 2018, and ending
17 on December 31, 2018, in cash to an
18 organization described in section
19 170(b)(1)(A) of such Code, and

20 (II) is made for relief efforts in
21 the Hurricane Florence disaster area,
22 the Hurricane Michael disaster area,
23 the Typhoon Mangkhut disaster area,
24 the Typhoon Yutu disaster area, the
25 Mendocino wildfire disaster area, the

1 Camp and Woolsey wildfire disaster
2 area, the Kilauea volcanic eruption
3 and earthquake disaster area, or the
4 Hawaii severe storms, flooding, land-
5 slides, and mudslides disaster area,

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

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

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

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

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

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

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

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

10 (A) the amount determined under section
11 165(h)(2)(A)(ii) of the Internal Revenue Code
12 of 1986 shall be equal to the sum of—

13 (i) such net disaster loss, and

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

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

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

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

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

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

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

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

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

3 (C) losses described in section 165(c)(3) of
4 the Internal Revenue Code of 1986 which arise
5 in the Typhoon Mangkhut disaster area on or
6 after September 10, 2018, and which are at-
7 tributable to Typhoon Mangkhut,

8 (D) losses described in section 165(c)(3) of
9 the Internal Revenue Code of 1986 which arise
10 in the Typhoon Yutu disaster area on or after
11 October 24, 2018, and which are attributable to
12 Typhoon Yutu,

13 (E) losses described in section 165(c)(3) of
14 the Internal Revenue Code of 1986 which arise
15 in the Mendocino wildfire disaster area on or
16 after July 23, 2018, and which are attributable
17 to the wildfires to which the declaration of such
18 area relates,

19 (F) losses described in section 165(c)(3) of
20 the Internal Revenue Code of 1986 which arise
21 in the Camp and Woolsey wildfire disaster area
22 on or after November 8, 2018, and which are
23 attributable to the wildfires to which the dec-
24 laration of such area relates,

1 (G) losses described in section 165(c)(3) of
2 the Internal Revenue Code of 1986 which arise
3 in the Kilauea volcanic eruption and earthquake
4 disaster area on or after May 3, 2018, and
5 which are attributable to the volcanic eruption
6 or earthquakes to which the declaration of such
7 area relates, and

8 (H) losses described in section 165(c)(3) of
9 the Internal Revenue Code of 1986 which arise
10 in the Hawaii severe storms, flooding, land-
11 slides, and mudslides disaster area on or after
12 April 13, 2018, and which are attributable to
13 the severe storms, flooding, landslides, and
14 mudslides to which the declaration of such area
15 relates.

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

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

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

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

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

7 (A) IN GENERAL.—The term “qualified in-
8 dividual” means any qualified Florence indi-
9 vidual, any qualified Michael individual, any
10 qualified Mangkhut individual, any qualified
11 Yutu individual, any qualified Mendocino indi-
12 vidual, any qualified Camp and Woolsey indi-
13 vidual, any qualified Kilauea individual, and
14 any qualified Hawaii individual.

15 (B) QUALIFIED FLORENCE INDIVIDUAL.—
16 The term “qualified Florence individual” means
17 any individual whose principal place of abode on
18 September 7, 2018, was located—

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

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

1 (C) QUALIFIED MICHAEL INDIVIDUAL.—

2 The term “qualified Michael individual” means
3 any individual whose principal place of abode on
4 October 7, 2018, was located—

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

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

12 (D) QUALIFIED MANGKHUT INDIVIDUAL.—

13 The term “qualified Mangkhut individual”
14 means any individual whose principal place of
15 abode on September 10, 2018, was located—

16 (i) in the Typhoon Mangkhut disaster
17 zone, or

18 (ii) in the Typhoon Mangkhut disaster
19 area (but outside the Typhoon Mangkhut
20 disaster zone) and such individual was dis-
21 placed from such principal place of abode
22 by reason of Typhoon Mangkhut.

23 (E) QUALIFIED YUTU INDIVIDUAL.—The
24 term “qualified Yutu individual” means any in-

1 individual whose principal place of abode on Octo-
2 ber 24, 2018, was located—

3 (i) in the Typhoon Yutu disaster zone,

4 or

5 (ii) in the Typhoon Yutu disaster area

6 (but outside the Typhoon Yutu disaster

7 zone) and such individual was displaced

8 from such principal place of abode by rea-

9 son of Typhoon Yutu.

10 (F) QUALIFIED MENDOCINO INDI-

11 VIDUAL.—The term “qualified Mendocino indi-

12 vidual” means any individual whose principal

13 place of abode during any portion of the period

14 from July 23, 2018, to September 19, 2018,

15 was located—

16 (i) in the Mendocino wildfire disaster

17 zone, or

18 (ii) in the Mendocino wildfire disaster

19 area (but outside the Mendocino wildfire

20 disaster zone) and such individual was dis-

21 placed from such principal place of abode

22 by reason of the wildfires to which the dec-

23 laration of such area relates.

24 (G) QUALIFIED CAMP AND WOOLSEY INDI-

25 VIDUAL.—The term “qualified Camp and Wool-

1 sey individual” means any individual whose
2 principal place of abode during any portion of
3 the period from November 8, 2018, to Novem-
4 ber 30, 2018, was located—

5 (i) in the Camp and Woolsey wildfire
6 disaster zone, or

7 (ii) in the Camp and Woolsey wildfire
8 disaster area (but outside the Camp and
9 Woolsey disaster zone) and such individual
10 was displaced from such principal place of
11 abode by reason of the wildfires to which
12 the declaration of such area relates.

13 (H) QUALIFIED KILAUEA INDIVIDUAL.—
14 The term “qualified Kilauea individual” means
15 any individual whose principal place of abode
16 during any portion of the period from May 3,
17 2018, to August 17, 2018, was located—

18 (i) in the Kilauea volcanic eruption
19 and earthquake disaster zone, or

20 (ii) in the Kilauea volcanic eruption
21 and earthquake disaster area (but outside
22 the Kilauea volcanic eruption and earth-
23 quake disaster zone) and such individual
24 was displaced from such principal place of
25 abode by reason of the volcanic eruption or

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

3 (I) QUALIFIED HAWAII INDIVIDUAL.—The
4 term “qualified Hawaii individual” means any
5 individual whose principal place of abode on
6 April 13, 2018, was located—

7 (i) in the Hawaii severe storms, flood-
8 ing, landslides, and mudslides disaster
9 zone, or

10 (ii) in the Hawaii severe storms,
11 flooding, landslides, and mudslides disaster
12 area (but outside the Hawaii severe
13 storms, flooding, landslides, and mudslides
14 disaster zone) and such individual was dis-
15 placed from such principal place of abode
16 by reason of the severe storms, flooding,
17 landslides, or mudslides to which the dec-
18 laration of such area relates.

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

22 (A) in the case of a qualified Florence indi-
23 vidual, September 7, 2018,

24 (B) in the case of a qualified Michael indi-
25 vidual, October 7, 2018,

1 (C) in the case of a qualified Mangkhut in-
2 dividual, September 10, 2018,

3 (D) in the case of a qualified Yutu indi-
4 vidual, October 24, 2018,

5 (E) in the case of a qualified Mendocino
6 individual, any portion of the period from July
7 23, 2018, to September 19, 2018,

8 (F) in the case of a qualified Camp and
9 Woolsey individual, any portion of the period
10 from November 8, 2018, to November 30,
11 2018,

12 (G) in the case of a qualified Kilauea indi-
13 vidual, any portion of the period from May 3,
14 2018, to August 17, 2018, and

15 (H) in the case of a qualified Hawaii indi-
16 vidual, April 13, 2018.

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

21 (5) SPECIAL RULES.—

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

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

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

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

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

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

22 **SEC. 205. TREATMENT OF CERTAIN POSSESSIONS.**

23 (a) PAYMENTS TO GUAM AND THE COMMONWEALTH
24 OF THE NORTHERN MARIANA ISLANDS.—The Secretary
25 of the Treasury shall pay to Guam and the Commonwealth

1 of the Northern Mariana Islands amounts equal to the loss
2 to that possession by reason of the application of the pro-
3 visions of this title. Such amounts shall be determined by
4 the Secretary of the Treasury based on information pro-
5 vided by the government of the respective possession.

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

11 **TITLE III—RETIREMENT AND** 12 **SAVINGS**

13 **Subtitle A—Expanding and** 14 **Preserving Retirement Savings**

15 **SEC. 301. MULTIPLE EMPLOYER PLANS; POOLED EM-** 16 **PLOYER PLANS.**

17 (a) QUALIFICATION REQUIREMENTS.—

18 (1) IN GENERAL.—Section 413 is amended by
19 adding at the end the following new subsection:

20 “(e) APPLICATION OF QUALIFICATION REQUIRE-
21 MENTS FOR CERTAIN MULTIPLE EMPLOYER PLANS WITH
22 POOLED PLAN PROVIDERS.—

23 “(1) IN GENERAL.—Except as provided in para-
24 graph (2), if a defined contribution plan to which
25 subsection (c) applies—

1 “(A) is maintained by employers which
2 have a common interest other than having
3 adopted the plan, or

4 “(B) in the case of a plan not described in
5 subparagraph (A), has a pooled plan provider,
6 then the plan shall not be treated as failing to meet
7 the requirements under this title applicable to a plan
8 described in section 401(a) or to a plan that consists
9 of individual retirement accounts described in sec-
10 tion 408 (including by reason of subsection (c)
11 thereof), whichever is applicable, merely because one
12 or more employers of employees covered by the plan
13 fail to take such actions as are required of such em-
14 ployers for the plan to meet such requirements.

15 “(2) LIMITATIONS.—

16 “(A) IN GENERAL.—Paragraph (1) shall
17 not apply to any plan unless the terms of the
18 plan provide that in the case of any employer
19 in the plan failing to take the actions described
20 in paragraph (1)—

21 “(i) the assets of the plan attributable
22 to employees of such employer (or bene-
23 ficiaries of such employees) will be trans-
24 ferred to a plan maintained only by such
25 employer (or its successor), to an eligible

1 retirement plan as defined in section
2 402(c)(8)(B) for each individual whose ac-
3 count is transferred, or to any other ar-
4 rangement that the Secretary determines is
5 appropriate, unless the Secretary deter-
6 mines it is in the best interests of the em-
7 ployees of such employer (and the bene-
8 ficiaries of such employees) to retain the
9 assets in the plan, and

10 “(ii) such employer (and not the plan
11 with respect to which the failure occurred
12 or any other employer in such plan) shall,
13 except to the extent provided by the Sec-
14 retary, be liable for any liabilities with re-
15 spect to such plan attributable to employ-
16 ees of such employer (or beneficiaries of
17 such employees).

18 “(B) FAILURES BY POOLED PLAN PRO-
19 VIDERS.—If the pooled plan provider of a plan
20 described in paragraph (1)(B) does not perform
21 substantially all of the administrative duties
22 which are required of the provider under para-
23 graph (3)(A)(i) for any plan year, the Secretary
24 may provide that the determination as to
25 whether the plan meets the requirements under

1 this title applicable to a plan described in sec-
2 tion 401(a) or to a plan that consists of indi-
3 vidual retirement accounts described in section
4 408 (including by reason of subsection (c)
5 thereof), whichever is applicable, shall be made
6 in the same manner as would be made without
7 regard to paragraph (1).

8 “(3) POOLED PLAN PROVIDER.—

9 “(A) IN GENERAL.—For purposes of this
10 subsection, the term ‘pooled plan provider’
11 means, with respect to any plan, a person
12 who—

13 “(i) is designated by the terms of the
14 plan as a named fiduciary (within the
15 meaning of section 402(a)(2) of the Em-
16 ployee Retirement Income Security Act of
17 1974), as the plan administrator, and as
18 the person responsible to perform all ad-
19 ministrative duties (including conducting
20 proper testing with respect to the plan and
21 the employees of each employer in the
22 plan) which are reasonably necessary to
23 ensure that—

24 “(I) the plan meets any require-
25 ment applicable under the Employee

1 Retirement Income Security Act of
2 1974 or this title to a plan described
3 in section 401(a) or to a plan that
4 consists of individual retirement ac-
5 counts described in section 408 (in-
6 cluding by reason of subsection (c)
7 thereof), whichever is applicable, and

8 “(II) each employer in the plan
9 takes such actions as the Secretary or
10 such person determines are necessary
11 for the plan to meet the requirements
12 described in subclause (I), including
13 providing to such person any disclo-
14 sures or other information which the
15 Secretary may require or which such
16 person otherwise determines are nec-
17 essary to administer the plan or to
18 allow the plan to meet such require-
19 ments,

20 “(ii) registers as a pooled plan pro-
21 vider with the Secretary, and provides such
22 other information to the Secretary as the
23 Secretary may require, before beginning
24 operations as a pooled plan provider,

1 “(iii) acknowledges in writing that
2 such person is a named fiduciary (within
3 the meaning of section 402(a)(2) of the
4 Employee Retirement Income Security Act
5 of 1974), and the plan administrator, with
6 respect to the plan, and

7 “(iv) is responsible for ensuring that
8 all persons who handle assets of, or who
9 are fiduciaries of, the plan are bonded in
10 accordance with section 412 of the Em-
11 ployee Retirement Income Security Act of
12 1974.

13 “(B) AUDITS, EXAMINATIONS AND INVES-
14 TIGATIONS.—The Secretary may perform au-
15 dits, examinations, and investigations of pooled
16 plan providers as may be necessary to enforce
17 and carry out the purposes of this subsection.

18 “(C) AGGREGATION RULES.—For purposes
19 of this paragraph, in determining whether a
20 person meets the requirements of this para-
21 graph to be a pooled plan provider with respect
22 to any plan, all persons who perform services
23 for the plan and who are treated as a single
24 employer under subsection (b), (c), (m), or (o)
25 of section 414 shall be treated as one person.

1 “(D) TREATMENT OF EMPLOYERS AS PLAN
2 SPONSORS.—Except with respect to the admin-
3 istrative duties of the pooled plan provider de-
4 scribed in subparagraph (A)(i), each employer
5 in a plan which has a pooled plan provider shall
6 be treated as the plan sponsor with respect to
7 the portion of the plan attributable to employ-
8 ees of such employer (or beneficiaries of such
9 employees).

10 “(4) GUIDANCE.—The Secretary shall issue
11 such guidance as the Secretary determines appro-
12 priate to carry out this subsection, including guid-
13 ance—

14 “(A) to identify the administrative duties
15 and other actions required to be performed by
16 a pooled plan provider under this subsection,

17 “(B) which describes the procedures to be
18 taken to terminate a plan which fails to meet
19 the requirements to be a plan described in para-
20 graph (1), including the proper treatment of,
21 and actions needed to be taken by, any em-
22 ployer in the plan and the assets and liabilities
23 of the plan attributable to employees of such
24 employer (or beneficiaries of such employees),
25 and

1 “(C) identifying appropriate cases to which
2 the rules of paragraph (2)(A) will apply to em-
3 ployers in the plan failing to take the actions
4 described in paragraph (1).

5 The Secretary shall take into account under sub-
6 paragraph (C) whether the failure of an employer or
7 pooled plan provider to provide any disclosures or
8 other information, or to take any other action, nec-
9 essary to administer a plan or to allow a plan to
10 meet requirements applicable to the plan under sec-
11 tion 401(a) or 408, whichever is applicable, has con-
12 tinued over a period of time that demonstrates a
13 lack of commitment to compliance.

14 “(5) MODEL PLAN.—The Secretary shall pub-
15 lish model plan language which meets the require-
16 ments of this subsection and of paragraphs (43) and
17 (44) of section 3 of the Employee Retirement In-
18 come Security Act of 1974 and which may be adopt-
19 ed in order for a plan to be treated as a plan de-
20 scribed in paragraph (1)(B).”.

21 (2) CONFORMING AMENDMENT.—Section
22 413(c)(2) is amended by striking “section 401(a)”
23 and inserting “sections 401(a) and 408(c)”.

1 (3) TECHNICAL AMENDMENT.—Section 408(c)
2 is amended by inserting after paragraph (2) the fol-
3 lowing new paragraph:

4 “(3) There is a separate accounting for any in-
5 terest of an employee or member (or spouse of an
6 employee or member) in a Roth IRA.”.

7 (b) NO COMMON INTEREST REQUIRED FOR POOLED
8 EMPLOYER PLANS.—Section 3(2) of the Employee Retire-
9 ment Income Security Act of 1974 (29 U.S.C. 1002(2))
10 is amended by adding at the end the following:

11 “(C) A pooled employer plan shall be treat-
12 ed as—

13 “(i) a single employee pension benefit
14 plan or single pension plan; and

15 “(ii) a plan to which section 210(a)
16 applies.”.

17 (c) POOLED EMPLOYER PLAN AND PROVIDER DE-
18 FINED.—

19 (1) IN GENERAL.—Section 3 of the Employee
20 Retirement Income Security Act of 1974 (29 U.S.C.
21 1002) is amended by adding at the end the fol-
22 lowing:

23 “(43) POOLED EMPLOYER PLAN.—

24 “(A) IN GENERAL.—The term ‘pooled em-
25 ployer plan’ means a plan—

1 “(i) which is an individual account
2 plan established or maintained for the pur-
3 pose of providing benefits to the employees
4 of 2 or more employers;

5 “(ii) which is a plan described in sec-
6 tion 401(a) of the Internal Revenue Code
7 of 1986 which includes a trust exempt
8 from tax under section 501(a) of such
9 Code or a plan that consists of individual
10 retirement accounts described in section
11 408 of such Code (including by reason of
12 subsection (c) thereof); and

13 “(iii) the terms of which meet the re-
14 quirements of subparagraph (B).

15 Such term shall not include a plan maintained
16 by employers which have a common interest
17 other than having adopted the plan.

18 “(B) REQUIREMENTS FOR PLAN TERMS.—
19 The requirements of this subparagraph are met
20 with respect to any plan if the terms of the
21 plan—

22 “(i) designate a pooled plan provider
23 and provide that the pooled plan provider
24 is a named fiduciary of the plan;

1 “(ii) designate one or more trustees
2 meeting the requirements of section
3 408(a)(2) of the Internal Revenue Code of
4 1986 (other than an employer in the plan)
5 to be responsible for collecting contribu-
6 tions to, and holding the assets of, the
7 plan and require such trustees to imple-
8 ment written contribution collection proce-
9 dures that are reasonable, diligent, and
10 systematic;

11 “(iii) provide that each employer in
12 the plan retains fiduciary responsibility
13 for—

14 “(I) the selection and monitoring
15 in accordance with section 404(a) of
16 the person designated as the pooled
17 plan provider and any other person
18 who, in addition to the pooled plan
19 provider, is designated as a named fi-
20 duciary of the plan; and

21 “(II) to the extent not otherwise
22 delegated to another fiduciary by the
23 pooled plan provider and subject to
24 the provisions of section 404(c), the
25 investment and management of the

1 portion of the plan’s assets attrib-
2 utable to the employees of the em-
3 ployer (or beneficiaries of such em-
4 ployees);

5 “(iv) provide that employers in the
6 plan, and participants and beneficiaries,
7 are not subject to unreasonable restric-
8 tions, fees, or penalties with regard to
9 ceasing participation, receipt of distribu-
10 tions, or otherwise transferring assets of
11 the plan in accordance with section 208 or
12 paragraph (44)(C)(i)(II);

13 “(v) require—

14 “(I) the pooled plan provider to
15 provide to employers in the plan any
16 disclosures or other information which
17 the Secretary may require, including
18 any disclosures or other information
19 to facilitate the selection or any moni-
20 toring of the pooled plan provider by
21 employers in the plan; and

22 “(II) each employer in the plan
23 to take such actions as the Secretary
24 or the pooled plan provider determines
25 are necessary to administer the plan

1 or for the plan to meet any require-
2 ment applicable under this Act or the
3 Internal Revenue Code of 1986 to a
4 plan described in section 401(a) of
5 such Code or to a plan that consists
6 of individual retirement accounts de-
7 scribed in section 408 of such Code
8 (including by reason of subsection (c)
9 thereof), whichever is applicable, in-
10 cluding providing any disclosures or
11 other information which the Secretary
12 may require or which the pooled plan
13 provider otherwise determines are nec-
14 essary to administer the plan or to
15 allow the plan to meet such require-
16 ments; and

17 “(vi) provide that any disclosure or
18 other information required to be provided
19 under clause (v) may be provided in elec-
20 tronic form and will be designed to ensure
21 only reasonable costs are imposed on
22 pooled plan providers and employers in the
23 plan.

24 “(C) EXCEPTIONS.—The term ‘pooled em-
25 ployer plan’ does not include—

1 “(i) a multiemployer plan; or

2 “(ii) a plan established before the
3 date of the enactment of the Family Sav-
4 ings Act of 2018 unless the plan adminis-
5 trator elects that the plan will be treated
6 as a pooled employer plan and the plan
7 meets the requirements of this title appli-
8 cable to a pooled employer plan established
9 on or after such date.

10 “(D) TREATMENT OF EMPLOYERS AS PLAN
11 SPONSORS.—Except with respect to the admin-
12 istrative duties of the pooled plan provider de-
13 scribed in paragraph (44)(A)(i), each employer
14 in a pooled employer plan shall be treated as
15 the plan sponsor with respect to the portion of
16 the plan attributable to employees of such em-
17 ployer (or beneficiaries of such employees).

18 “(44) POOLED PLAN PROVIDER.—

19 “(A) IN GENERAL.—The term ‘pooled plan
20 provider’ means a person who—

21 “(i) is designated by the terms of a
22 pooled employer plan as a named fiduciary,
23 as the plan administrator, and as the per-
24 son responsible for the performance of all
25 administrative duties (including conducting

1 proper testing with respect to the plan and
2 the employees of each employer in the
3 plan) which are reasonably necessary to
4 ensure that—

5 “(I) the plan meets any require-
6 ment applicable under this Act or the
7 Internal Revenue Code of 1986 to a
8 plan described in section 401(a) of
9 such Code or to a plan that consists
10 of individual retirement accounts de-
11 scribed in section 408 of such Code
12 (including by reason of subsection (c)
13 thereof), whichever is applicable; and

14 “(II) each employer in the plan
15 takes such actions as the Secretary or
16 pooled plan provider determines are
17 necessary for the plan to meet the re-
18 quirements described in subclause (I),
19 including providing the disclosures
20 and information described in para-
21 graph (43)(B)(v)(II);

22 “(ii) registers as a pooled plan pro-
23 vider with the Secretary, and provides to
24 the Secretary such other information as

1 the Secretary may require, before begin-
2 ning operations as a pooled plan provider;

3 “(iii) acknowledges in writing that
4 such person is a named fiduciary, and the
5 plan administrator, with respect to the
6 pooled employer plan; and

7 “(iv) is responsible for ensuring that
8 all persons who handle assets of, or who
9 are fiduciaries of, the pooled employer plan
10 are bonded in accordance with section 412.

11 “(B) AUDITS, EXAMINATIONS AND INVES-
12 TIGATIONS.—The Secretary may perform au-
13 dits, examinations, and investigations of pooled
14 plan providers as may be necessary to enforce
15 and carry out the purposes of this paragraph
16 and paragraph (43).

17 “(C) GUIDANCE.—The Secretary shall
18 issue such guidance as the Secretary determines
19 appropriate to carry out this paragraph and
20 paragraph (43), including guidance—

21 “(i) to identify the administrative du-
22 ties and other actions required to be per-
23 formed by a pooled plan provider under ei-
24 ther such paragraph; and

1 “(ii) which requires in appropriate
2 cases that if an employer in the plan fails
3 to take the actions required under sub-
4 paragraph (A)(i)(II)—

5 “(I) the assets of the plan attrib-
6 utable to employees of such employer
7 (or beneficiaries of such employees)
8 are transferred to a plan maintained
9 only by such employer (or its suc-
10 cessor), to an eligible retirement plan
11 as defined in section 402(c)(8)(B) of
12 the Internal Revenue Code of 1986
13 for each individual whose account is
14 transferred, or to any other arrange-
15 ment that the Secretary determines is
16 appropriate in such guidance; and

17 “(II) such employer (and not the
18 plan with respect to which the failure
19 occurred or any other employer in
20 such plan) shall, except to the extent
21 provided in such guidance, be liable
22 for any liabilities with respect to such
23 plan attributable to employees of such
24 employer (or beneficiaries of such em-
25 ployees).

1 The Secretary shall take into account under
2 clause (ii) whether the failure of an employer or
3 pooled plan provider to provide any disclosures
4 or other information, or to take any other ac-
5 tion, necessary to administer a plan or to allow
6 a plan to meet requirements described in sub-
7 paragraph (A)(i)(II) has continued over a pe-
8 riod of time that demonstrates a lack of com-
9 mitment to compliance. The Secretary may
10 waive the requirements of subclause (ii)(I) in
11 appropriate circumstances if the Secretary de-
12 termines it is in the best interests of the em-
13 ployees of the employer referred to in such
14 clause (and the beneficiaries of such employees)
15 to retain the assets in the plan with respect to
16 which the employer's failure occurred.

17 “(D) AGGREGATION RULES.—For purposes
18 of this paragraph, in determining whether a
19 person meets the requirements of this para-
20 graph to be a pooled plan provider with respect
21 to any plan, all persons who perform services
22 for the plan and who are treated as a single
23 employer under subsection (b), (c), (m), or (o)
24 of section 414 of the Internal Revenue Code of
25 1986 shall be treated as one person.”.

1 (2) BONDING REQUIREMENTS FOR POOLED EM-
2 PLOYER PLANS.—The last sentence of section 412(a)
3 of the Employee Retirement Income Security Act of
4 1974 (29 U.S.C. 1112(a)) is amended by inserting
5 “or in the case of a pooled employer plan (as defined
6 in section 3(43))” after “section 407(d)(1))”.

7 (3) CONFORMING AND TECHNICAL AMEND-
8 MENTS.—Section 3 of the Employee Retirement In-
9 come Security Act of 1974 (29 U.S.C. 1002) is
10 amended—

11 (A) in paragraph (16)(B)—

12 (i) by striking “or” at the end of
13 clause (ii); and

14 (ii) by striking the period at the end
15 and inserting “, or (iv) in the case of a
16 pooled employer plan, the pooled plan pro-
17 vider.”; and

18 (B) by striking the second paragraph (41).

19 (d) POOLED EMPLOYER AND MULTIPLE EMPLOYER
20 PLAN REPORTING.—

21 (1) ADDITIONAL INFORMATION.—Section 103
22 of the Employee Retirement Income Security Act of
23 1974 (29 U.S.C. 1023) is amended—

24 (A) in subsection (a)(1)(B), by striking
25 “applicable subsections (d), (e), and (f)” and

1 inserting “applicable subsections (d), (e), (f),
2 and (g)”;

3 (B) by amending subsection (g) to read as
4 follows:

5 “(g) ADDITIONAL INFORMATION WITH RESPECT TO
6 POOLED EMPLOYER AND MULTIPLE EMPLOYER
7 PLANS.—An annual report under this section for a plan
8 year shall include—

9 “(1) with respect to any plan to which section
10 210(a) applies (including a pooled employer plan), a
11 list of employers in the plan, a good faith estimate
12 of the percentage of total contributions made by
13 such employers during the plan year, and the aggregate
14 account balances attributable to each employer
15 in the plan (determined as the sum of the account
16 balances of the employees of such employer (and the
17 beneficiaries of such employees)); and

18 “(2) with respect to a pooled employer plan, the
19 identifying information for the person designated
20 under the terms of the plan as the pooled plan pro-
21 vider.”.

22 (2) SIMPLIFIED ANNUAL REPORTS.—Section
23 104(a) of the Employee Retirement Income Security
24 Act of 1974 (29 U.S.C. 1024(a)) is amended by

1 striking paragraph (2)(A) and inserting the fol-
2 lowing:

3 “(2)(A) With respect to annual reports required
4 to be filed with the Secretary under this part, the
5 Secretary may by regulation prescribe simplified an-
6 nual reports for any pension plan that—

7 “(i) covers fewer than 100 participants; or

8 “(ii) is a plan described in section 210(a)
9 that covers fewer than 1,000 participants, but
10 only if no single employer in the plan has 100
11 or more participants covered by the plan.”.

12 (e) EFFECTIVE DATE.—

13 (1) IN GENERAL.—The amendments made by
14 this section shall apply to plan years beginning after
15 December 31, 2019.

16 (2) RULE OF CONSTRUCTION.—Nothing in the
17 amendments made by subsection (a) shall be con-
18 strued as limiting the authority of the Secretary of
19 the Treasury or the Secretary’s delegate (determined
20 without regard to such amendments) to provide for
21 the proper treatment of a failure to meet any re-
22 quirement applicable under the Internal Revenue
23 Code of 1986 with respect to one employer (and its
24 employees) in a multiple employer plan.

1 **SEC. 302. RULES RELATING TO ELECTION OF SAFE HARBOR**

2 **401(k) STATUS.**

3 (a) **LIMITATION OF ANNUAL SAFE HARBOR NOTICE**
4 **TO MATCHING CONTRIBUTION PLANS.—**

5 (1) **IN GENERAL.**—Section 401(k)(12)(A) is
6 amended by striking “if such arrangement” and all
7 that follows and inserting “if such arrangement—

8 “(i) meets the contribution require-
9 ments of subparagraph (B) and the notice
10 requirements of subparagraph (D), or

11 “(ii) meets the contribution require-
12 ments of subparagraph (C).”.

13 (2) **AUTOMATIC CONTRIBUTION ARRANGE-**
14 **MENTS.**—Section 401(k)(13)(B) is amended by
15 striking “means” and all that follows and inserting
16 “means a cash or deferred arrangement—

17 “(i) which is described in subpara-
18 graph (D)(i)(I) and meets the applicable
19 requirements of subparagraphs (C)
20 through (E), or

21 “(ii) which is described in subpara-
22 graph (D)(i)(II) and meets the applicable
23 requirements of subparagraphs (C) and
24 (D).”.

25 (b) **NONELECTIVE CONTRIBUTIONS.**—Section
26 401(k)(12) is amended by redesignating subparagraph (F)

1 as subparagraph (G), and by inserting after subparagraph
2 (E) the following new subparagraph:

3 “(F) TIMING OF PLAN AMENDMENT FOR
4 EMPLOYER MAKING NONELECTIVE CONTRIBU-
5 TIONS.—

6 “(i) IN GENERAL.—Except as pro-
7 vided in clause (ii), a plan may be amend-
8 ed after the beginning of a plan year to
9 provide that the requirements of subpara-
10 graph (C) shall apply to the arrangement
11 for the plan year, but only if the amend-
12 ment is adopted—

13 “(I) at any time before the 30th
14 day before the close of the plan year,
15 or

16 “(II) at any time before the last
17 day under paragraph (8)(A) for dis-
18 tributing excess contributions for the
19 plan year.

20 “(ii) EXCEPTION WHERE PLAN PRO-
21 VIDED FOR MATCHING CONTRIBUTIONS.—
22 Clause (i) shall not apply to any plan year
23 if the plan provided at any time during the
24 plan year that the requirements of sub-

1 paragraph (B) or paragraph (13)(D)(i)(I)
2 applied to the plan year.

3 “(iii) 4-PERCENT CONTRIBUTION RE-
4 QUIREMENT.—Clause (i)(II) shall not
5 apply to an arrangement unless the
6 amount of the contributions described in
7 subparagraph (C) which the employer is
8 required to make under the arrangement
9 for the plan year with respect to any em-
10 ployee is an amount equal to at least 4
11 percent of the employee’s compensation.”.

12 (c) AUTOMATIC CONTRIBUTION ARRANGEMENTS.—
13 Section 401(k)(13) is amended by adding at the end the
14 following:

15 “(F) TIMING OF PLAN AMENDMENT FOR
16 EMPLOYER MAKING NONELECTIVE CONTRIBU-
17 TIONS.—

18 “(i) IN GENERAL.—Except as pro-
19 vided in clause (ii), a plan may be amend-
20 ed after the beginning of a plan year to
21 provide that the requirements of subpara-
22 graph (D)(i)(II) shall apply to the arrange-
23 ment for the plan year, but only if the
24 amendment is adopted—

1 “(I) at any time before the 30th
2 day before the close of the plan year,
3 or

4 “(II) at any time before the last
5 day under paragraph (8)(A) for dis-
6 tributing excess contributions for the
7 plan year.

8 “(ii) EXCEPTION WHERE PLAN PRO-
9 VIDED FOR MATCHING CONTRIBUTIONS.—
10 Clause (i) shall not apply to any plan year
11 if the plan provided at any time during the
12 plan year that the requirements of sub-
13 paragraph (D)(i)(I) or paragraph (12)(B)
14 applied to the plan year.

15 “(iii) 4-PERCENT CONTRIBUTION RE-
16 QUIREMENT.—Clause (i)(II) shall not
17 apply to an arrangement unless the
18 amount of the contributions described in
19 subparagraph (D)(i)(II) which the em-
20 ployer is required to make under the ar-
21 rangement for the plan year with respect
22 to any employee is an amount equal to at
23 least 4 percent of the employee’s com-
24 pensation.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to plan years beginning after De-
3 cember 31, 2018.

4 **SEC. 303. CERTAIN TAXABLE NON-TUITION FELLOWSHIP**
5 **AND STIPEND PAYMENTS TREATED AS COM-**
6 **PENSATION FOR IRA PURPOSES.**

7 (a) IN GENERAL.—Section 219(f)(1) is amended by
8 adding at the end the following: “The term ‘compensation’
9 shall include any amount included in gross income and
10 paid to an individual to aid the individual in the pursuit
11 of graduate or postdoctoral study.”.

12 (b) EFFECTIVE DATE.—The amendment made by
13 this section shall apply to taxable years beginning after
14 December 31, 2018.

15 **SEC. 304. REPEAL OF MAXIMUM AGE FOR TRADITIONAL IRA**
16 **CONTRIBUTIONS.**

17 (a) IN GENERAL.—Section 219(d) is amended by
18 striking paragraph (1).

19 (b) CONFORMING AMENDMENT.—Section 408A(c) is
20 amended by striking paragraph (4) and by redesignating
21 paragraphs (5), (6), and (7) as paragraphs (4), (5), and
22 (6), respectively.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to contributions made for taxable
25 years beginning after December 31, 2018.

1 **SEC. 305. QUALIFIED EMPLOYER PLANS PROHIBITED FROM**
2 **MAKING LOANS THROUGH CREDIT CARDS**
3 **AND OTHER SIMILAR ARRANGEMENTS.**

4 (a) IN GENERAL.—Section 72(p)(2) is amended by
5 redesignating subparagraph (D) as subparagraph (E) and
6 by inserting after subparagraph (C) the following new sub-
7 paragraph:

8 “(D) PROHIBITION OF LOANS THROUGH
9 CREDIT CARDS AND OTHER SIMILAR ARRANGE-
10 MENTS.—Notwithstanding subparagraph (A),
11 paragraph (1) shall apply to any loan which is
12 made through the use of any credit card or any
13 other similar arrangement.”.

14 (b) EFFECTIVE DATE.—The amendments made by
15 subsection (a) shall apply to loans made after the date
16 of the enactment of this Act.

17 **SEC. 306. PORTABILITY OF LIFETIME INCOME INVEST-**
18 **MENTS.**

19 (a) IN GENERAL.—Section 401(a) is amended by in-
20 serting after paragraph (37) the following new paragraph:

21 “(38) PORTABILITY OF LIFETIME INCOME IN-
22 VESTMENTS.—

23 “(A) IN GENERAL.—Except as may be oth-
24 erwise provided by regulations, a trust forming
25 part of a defined contribution plan shall not be

1 treated as failing to constitute a qualified trust
2 under this section solely by reason of allowing—

3 “(i) qualified distributions of a life-
4 time income investment, or

5 “(ii) distributions of a lifetime income
6 investment in the form of a qualified plan
7 distribution annuity contract,

8 on or after the date that is 90 days prior to the
9 date on which such lifetime income investment
10 is no longer authorized to be held as an invest-
11 ment option under the plan.

12 “(B) DEFINITIONS.—For purposes of this
13 subsection—

14 “(i) the term ‘qualified distribution’
15 means a direct trustee-to-trustee transfer
16 described in paragraph (31)(A) to an eligi-
17 ble retirement plan (as defined in section
18 402(c)(8)(B)),

19 “(ii) the term ‘lifetime income invest-
20 ment’ means an investment option which is
21 designed to provide an employee with elec-
22 tion rights—

23 “(I) which are not uniformly
24 available with respect to other invest-
25 ment options under the plan, and

1 “(II) which are to a lifetime in-
2 come feature available through a con-
3 tract or other arrangement offered
4 under the plan (or under another eli-
5 gible retirement plan (as so defined),
6 if paid by means of a direct trustee-
7 to-trustee transfer described in para-
8 graph (31)(A) to such other eligible
9 retirement plan),

10 “(iii) the term ‘lifetime income fea-
11 ture’ means—

12 “(I) a feature which guarantees a
13 minimum level of income annually (or
14 more frequently) for at least the re-
15 mainder of the life of the employee or
16 the joint lives of the employee and the
17 employee’s designated beneficiary, or

18 “(II) an annuity payable on be-
19 half of the employee under which pay-
20 ments are made in substantially equal
21 periodic payments (not less frequently
22 than annually) over the life of the em-
23 ployee or the joint lives of the em-
24 ployee and the employee’s designated
25 beneficiary, and

1 “(iv) the term ‘qualified plan distribu-
2 tion annuity contract’ means an annuity
3 contract purchased for a participant and
4 distributed to the participant by a plan or
5 contract described in subparagraph (B) of
6 section 402(c)(8) (without regard to
7 clauses (i) and (ii) thereof).”.

8 (b) CASH OR DEFERRED ARRANGEMENT.—

9 (1) IN GENERAL.—Section 401(k)(2)(B)(i) is
10 amended by striking “or” at the end of subclause
11 (IV), by striking “and” at the end of subclause (V)
12 and inserting “or”, and by adding at the end the fol-
13 lowing new subclause:

14 “(VI) except as may be otherwise
15 provided by regulations, with respect
16 to amounts invested in a lifetime in-
17 come investment (as defined in sub-
18 section (a)(38)(B)(ii)), the date that
19 is 90 days prior to the date that such
20 lifetime income investment may no
21 longer be held as an investment option
22 under the arrangement, and”.

23 (2) DISTRIBUTION REQUIREMENT.—Section
24 401(k)(2)(B), as amended by paragraph (1), is
25 amended by striking “and” at the end of clause (i),

1 by striking the semicolon at the end of clause (ii)
2 and inserting “, and”, and by adding at the end the
3 following new clause:

4 “(iii) except as may be otherwise pro-
5 vided by regulations, in the case of
6 amounts described in clause (i)(VI), will be
7 distributed only in the form of a qualified
8 distribution (as defined in subsection
9 (a)(38)(B)(i)) or a qualified plan distribu-
10 tion annuity contract (as defined in sub-
11 section (a)(38)(B)(iv)),”.

12 (c) SECTION 403(b) PLANS.—

13 (1) ANNUITY CONTRACTS.—Section 403(b)(11)
14 is amended by striking “or” at the end of subpara-
15 graph (B), by striking the period at the end of sub-
16 paragraph (C) and inserting “, or”, and by inserting
17 after subparagraph (C) the following new subpara-
18 graph:

19 “(D) except as may be otherwise provided
20 by regulations, with respect to amounts invested
21 in a lifetime income investment (as defined in
22 section 401(a)(38)(B)(ii))—

23 “(i) on or after the date that is 90
24 days prior to the date that such lifetime
25 income investment may no longer be held

1 as an investment option under the con-
2 tract, and

3 “(ii) in the form of a qualified dis-
4 tribution (as defined in section
5 401(a)(38)(B)(i)) or a qualified plan dis-
6 tribution annuity contract (as defined in
7 section 401(a)(38)(B)(iv)).”.

8 (2) CUSTODIAL ACCOUNTS.—Section
9 403(b)(7)(A) is amended by striking “if—” and all
10 that follows and inserting “if the amounts are to be
11 invested in regulated investment company stock to
12 be held in that custodial account, and under the cus-
13 todial account—

14 “(i) no such amounts may be paid or
15 made available to any distributee (unless
16 such amount is a distribution to which sec-
17 tion 72(t)(2)(G) applies) before—

18 “(I) the employee dies,

19 “(II) the employee attains age
20 59½,

21 “(III) the employee has a sever-
22 ance from employment,

23 “(IV) the employee becomes dis-
24 abled (within the meaning of section
25 72(m)(7)),

1 “(V) in the case of contributions
2 made pursuant to a salary reduction
3 agreement (within the meaning of sec-
4 tion 3121(a)(5)(D)), the employee en-
5 counters financial hardship, or

6 “(VI) except as may be otherwise
7 provided by regulations, with respect
8 to amounts invested in a lifetime in-
9 come investment (as defined in section
10 401(a)(38)(B)(ii)), the date that is 90
11 days prior to the date that such life-
12 time income investment may no longer
13 be held as an investment option under
14 the contract, and

15 “(ii) in the case of amounts described
16 in clause (i)(VI), such amounts will be dis-
17 tributed only in the form of a qualified dis-
18 tribution (as defined in section
19 401(a)(38)(B)(i)) or a qualified plan dis-
20 tribution annuity contract (as defined in
21 section 401(a)(38)(B)(iv)).”.

22 (d) ELIGIBLE DEFERRED COMPENSATION PLANS.—

23 (1) IN GENERAL.—Section 457(d)(1)(A) is
24 amended by striking “or” at the end of clause (ii),

1 by inserting “or” at the end of clause (iii), and by
2 adding after clause (iii) the following:

3 “(iv) except as may be otherwise pro-
4 vided by regulations, in the case of a plan
5 maintained by an employer described in
6 subsection (e)(1)(A), with respect to
7 amounts invested in a lifetime income in-
8 vestment (as defined in section
9 401(a)(38)(B)(ii)), the date that is 90
10 days prior to the date that such lifetime
11 income investment may no longer be held
12 as an investment option under the plan,”.

13 (2) DISTRIBUTION REQUIREMENT.—Section
14 457(d)(1) is amended by striking “and” at the end
15 of subparagraph (B), by striking the period at the
16 end of subparagraph (C) and inserting “, and”, and
17 by inserting after subparagraph (C) the following
18 new subparagraph:

19 “(D) except as may be otherwise provided
20 by regulations, in the case of amounts described
21 in subparagraph (A)(iv), such amounts will be
22 distributed only in the form of a qualified dis-
23 tribution (as defined in section
24 401(a)(38)(B)(i)) or a qualified plan distribu-

1 tion annuity contract (as defined in section
2 401(a)(38)(B)(iv)).”.

3 (e) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to plan years beginning after De-
5 cember 31, 2018.

6 **SEC. 307. TREATMENT OF CUSTODIAL ACCOUNTS ON TER-**
7 **MINATION OF SECTION 403(b) PLANS.**

8 Not later than six months after the date of enactment
9 of this Act, the Secretary of the Treasury shall issue guid-
10 ance to provide that, if an employer terminates the plan
11 under which amounts are contributed to a custodial ac-
12 count under subparagraph (A) of section 403(b)(7), the
13 plan administrator or custodian may distribute an indi-
14 vidual custodial account in kind to a participant or bene-
15 ficiary of the plan and the distributed custodial account
16 shall be maintained by the custodian on a tax-deferred
17 basis as a section 403(b)(7) custodial account, similar to
18 the treatment of fully-paid individual annuity contracts
19 under Revenue Ruling 2011–7, until amounts are actually
20 paid to the participant or beneficiary. The guidance shall
21 provide further (i) that the section 403(b)(7) status of the
22 distributed custodial account is generally maintained if the
23 custodial account thereafter adheres to the requirements
24 of section 403(b) that are in effect at the time of the dis-
25 tribution of the account and (ii) that a custodial account

1 would not be considered distributed to the participant or
2 beneficiary if the employer has any material retained
3 rights under the account (but the employer would not be
4 treated as retaining material rights simply because the
5 custodial account was originally opened under a group
6 contract). Such guidance shall apply to plan terminations
7 occurring after December 31, 2018.

8 **SEC. 308. CLARIFICATION OF RETIREMENT INCOME AC-**
9 **COUNT RULES RELATING TO CHURCH-CON-**
10 **TROLLED ORGANIZATIONS.**

11 (a) **IN GENERAL.**—Section 403(b)(9)(B) is amended
12 by inserting “(including an employee described in section
13 414(e)(3)(B))” after “employee described in paragraph
14 (1)”.

15 (b) **EFFECTIVE DATE.**—The amendment made by
16 this section shall apply to plan years beginning after De-
17 cember 31, 2008.

18 **SEC. 309. INCREASE IN 10 PERCENT CAP FOR AUTOMATIC**
19 **ENROLLMENT SAFE HARBOR AFTER 1ST**
20 **PLAN YEAR.**

21 (a) **IN GENERAL.**—Section 401(k)(13)(C)(iii) is
22 amended by striking “does not exceed 10 percent” and
23 inserting “does not exceed 15 percent (10 percent during
24 the period described in subclause (I))”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to plan years beginning after De-
3 cember 31, 2018.

4 **SEC. 310. INCREASE IN CREDIT LIMITATION FOR SMALL**
5 **EMPLOYER PENSION PLAN STARTUP COSTS.**

6 (a) IN GENERAL.—Paragraph (1) of section 45E(b)
7 is amended to read as follows:

8 “(1) for the first credit year and each of the 2
9 taxable years immediately following the first credit
10 year, the greater of—

11 “(A) \$500, or

12 “(B) the lesser of—

13 “(i) \$250 for each employee of the eli-
14 gible employer who is not a highly com-
15 pensated employee (as defined in section
16 414(q)) and who is eligible to participate
17 in the eligible employer plan maintained by
18 the eligible employer, or

19 “(ii) \$1,500, and”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section shall apply to taxable years beginning after
22 December 31, 2018.

1 **SEC. 311. SMALL EMPLOYER AUTOMATIC ENROLLMENT**

2 **CREDIT.**

3 (a) IN GENERAL.—Section 45E is amended by add-
4 ing at the end the following new subsection:”.

5 “(f) CREDIT FOR AUTO-ENROLLMENT OPTION FOR
6 RETIREMENT SAVINGS OPTIONS.—

7 “(1) IN GENERAL.—The credit allowed under
8 subsection (a) for any taxable year during an eligible
9 employer’s retirement auto-enrollment credit period
10 shall be increased (without regard to subsection (b))
11 by \$500.

12 “(2) RETIREMENT AUTO-ENROLLMENT CREDIT
13 PERIOD.—

14 “(A) IN GENERAL.—The retirement auto-
15 enrollment credit period with respect to any eli-
16 gible employer is the 3-taxable-year period be-
17 ginning with the first taxable year for which the
18 employer includes an eligible automatic con-
19 tribution arrangement (as defined in section
20 414(w)(3)) in a qualified employer plan (as de-
21 fined in section 4972(d)) sponsored by the em-
22 ployer.

23 “(B) MAINTENANCE OF ARRANGEMENT.—
24 No taxable year with respect to an employer
25 shall be treated as occurring within the retire-
26 ment auto-enrollment credit period unless the

1 arrangement described in subparagraph (A) is
2 included in the plan for such year.

3 “(3) NOT LIMITED TO NEW PLANS.—This sub-
4 section shall be applied without regard to subsection
5 (c)(2).”.

6 (b) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to taxable years beginning after
8 December 31, 2018.

9 **SEC. 312. EXEMPTION FROM REQUIRED MINIMUM DIS-**
10 **TRIBUTION RULES FOR INDIVIDUALS WITH**
11 **CERTAIN ACCOUNT BALANCES.**

12 (a) IN GENERAL.—Section 401(a)(9) is amended by
13 adding at the end the following new subparagraph:

14 “(H) EXCEPTION FROM REQUIRED MIN-
15 IMUM DISTRIBUTIONS DURING LIFE OF EM-
16 PLOYEE WHERE ASSETS DO NOT EXCEED
17 \$50,000.—

18 “(i) IN GENERAL.—If on the last day
19 of any calendar year the aggregate value of
20 an employee’s entire interest under all ap-
21 plicable eligible retirement plans does not
22 exceed \$50,000, then the requirements of
23 subparagraph (A) with respect to any dis-
24 tribution relating to such year shall not
25 apply with respect to such employee.

1 “(ii) APPLICABLE ELIGIBLE RETIRE-
2 MENT PLAN.—For purposes of this sub-
3 paragraph, the term ‘applicable eligible re-
4 tirement plan’ means an eligible retirement
5 plan (as defined in section 402(c)(8)(B))
6 other than a defined benefit plan.

7 “(iii) LIMIT ON REQUIRED MINIMUM
8 DISTRIBUTION.—The required minimum
9 distribution determined under subpara-
10 graph (A) for an employee under all appli-
11 cable eligible retirement plans shall not ex-
12 ceed an amount equal to the excess of—

13 “(I) the aggregate value of an
14 employee’s entire interest under such
15 plans on the last day of the calendar
16 year to which such distribution re-
17 lates, over

18 “(II) the dollar amount in effect
19 under clause (i) for such calendar
20 year.

21 The Secretary in regulations or other guid-
22 ance may provide how such amount shall
23 be distributed in the case of an individual
24 with more than one applicable eligible re-
25 tirement plan.

1 “(iv) INFLATION ADJUSTMENT.—In
2 the case of any calendar year beginning
3 after 2019, the \$50,000 amount in clause
4 (i) shall be increased by an amount equal
5 to—

6 “(I) such dollar amount, multi-
7 plied by

8 “(II) the cost of living adjust-
9 ment determined under section 1(f)(3)
10 for the calendar year, determined by
11 substituting ‘calendar year 2018’ for
12 ‘calendar year 2016’ in subparagraph
13 (A)(ii) thereof.

14 Any increase determined under this clause
15 shall be rounded to the next lowest mul-
16 tiple of \$5,000.

17 “(v) PLAN ADMINISTRATOR RELIANCE
18 ON EMPLOYEE CERTIFICATION.—An appli-
19 cable eligible retirement plan described in
20 clause (iii), (iv), (v), or (vi) of section
21 402(c)(8)(B) shall not be treated as failing
22 to meet the requirements of this paragraph
23 in the case of any failure to make a re-
24 quired minimum distribution for a cal-
25 endar year if—

1 “(I) the aggregate value of an
2 employee’s entire interest under all
3 applicable eligible retirement plans of
4 the employer on the last day of the
5 calendar year to which such distribu-
6 tion relates does not exceed the dollar
7 amount in effect for such year under
8 clause (i), and

9 “(II) the employee certifies that
10 the aggregate value of the employee’s
11 entire interest under all applicable eli-
12 gible retirement plans on the last day
13 of the calendar year to which such
14 distribution relates did not exceed the
15 dollar amount in effect for such year
16 under clause (i).

17 “(vi) AGGREGATION RULE.—All em-
18 ployers treated as a single employer under
19 subsection (b), (c), (m), or (o) of section
20 414 shall be treated as a single employer
21 for purposes of clause (v).”.

22 (b) PLAN ADMINISTRATOR REPORTING.—Section
23 6047 is amended by redesignating subsection (h) as sub-
24 section (i) and by inserting after subsection (g) the fol-
25 lowing new subsection:

1 “(h) ACCOUNT BALANCE FOR PARTICIPANTS WHO
2 HAVE ATTAINED AGE 69.—

3 “(1) IN GENERAL.—Not later than January 31
4 of each year, the plan administrator (as defined in
5 section 414(g)) of each applicable eligible retirement
6 plan (as defined in section 401(a)(9)(H)) shall make
7 a return to the Secretary with respect to each par-
8 ticipant of such plan who has attained age 69 as of
9 the end of the preceding calendar year which
10 states—

11 “(A) the name and plan number of the
12 plan,

13 “(B) the name and address of the plan ad-
14 ministrator,

15 “(C) the name, address, and taxpayer
16 identification number of the participant, and

17 “(D) the account balance of such partici-
18 pant as of the end of the preceding calendar
19 year.

20 “(2) STATEMENT FURNISHED TO PARTICI-
21 PANT.—Every person required to make a return
22 under paragraph (1) with respect to a participant
23 shall furnish a copy of such return to such partici-
24 pant.

1 “(3) APPLICATION TO INDIVIDUAL RETIREMENT
2 PLANS AND ANNUITIES.—In the case of an applica-
3 ble eligible retirement plan described in clause (i) or
4 (ii) of section 402(c)(8)(B)—

5 “(A) any reference in this subsection to
6 the plan administrator shall be treated as a ref-
7 erence to the trustee or issuer, as the case may
8 be, and

9 “(B) any reference in this subsection to
10 the participant shall be treated as a reference
11 to the individual for whom such account or an-
12 nuity is maintained.”.

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to distributions required to be
15 made in calendar years beginning more than 120 days
16 after the date of the enactment of this Act.

17 **SEC. 313. ELECTIVE DEFERRALS BY MEMBERS OF THE**
18 **READY RESERVE OF A RESERVE COMPONENT**
19 **OF THE ARMED FORCES.**

20 (a) IN GENERAL.—Section 402(g) is amended by
21 adding at the end the following new paragraph:

22 “(9) ELECTIVE DEFERRALS BY MEMBERS OF
23 READY RESERVE.—

24 “(A) IN GENERAL.—In the case of a quali-
25 fied ready reservist for any taxable year, the

1 limitations of subparagraphs (A) and (C) of
2 paragraph (1) shall be applied separately with
3 respect to—

4 “(i) elective deferrals of such qualified
5 ready reservist with respect to compensa-
6 tion described in subparagraph (B), and

7 “(ii) all other elective deferrals of
8 such qualified ready reservist.

9 “(B) QUALIFIED READY RESERVIST.—For
10 purposes of this paragraph, the term ‘qualified
11 ready reservist’ means any individual for any
12 taxable year if such individual received com-
13 pensation for service as a member of the Ready
14 Reserve of a reserve component (as defined in
15 section 101 of title 37, United States Code)
16 during such taxable year.”.

17 (b) EFFECTIVE DATE.—The amendment made by
18 this section shall apply to plan years beginning after De-
19 cember 31, 2018.

20 **Subtitle B—Administrative**

21 **Improvements**

22 **SEC. 321. PLAN ADOPTED BY FILING DUE DATE FOR YEAR**
23 **MAY BE TREATED AS IN EFFECT AS OF CLOSE**
24 **OF YEAR.**

25 (a) IN GENERAL.—Section 401(b) is amended—

1 (1) by striking “RETROACTIVE CHANGES IN
2 PLAN.—A stock bonus” and inserting “PLAN
3 AMENDMENTS.—

4 “(1) CERTAIN RETROACTIVE CHANGES IN
5 PLAN.—A stock bonus”, and

6 (2) by adding at the end the following new
7 paragraph:

8 “(2) ADOPTION OF PLAN.—If an employer
9 adopts a stock bonus, pension, profit-sharing, or an-
10 nuity plan after the close of a taxable year but be-
11 fore the time prescribed by law for filing the employ-
12 er’s return of tax for the taxable year (including ex-
13 tensions thereof), the employer may elect to treat
14 the plan as having been adopted as of the last day
15 of the taxable year.”.

16 (b) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to plans adopted for taxable years
18 beginning after December 31, 2018.

19 **SEC. 322. MODIFICATION OF NONDISCRIMINATION RULES**
20 **TO PROTECT OLDER, LONGER SERVICE PAR-**
21 **TICIPANTS.**

22 (a) IN GENERAL.—Section 401 is amended—

23 (1) by redesignating subsection (o) as sub-
24 section (p), and

1 (2) by inserting after subsection (n) the fol-
2 lowing new subsection:

3 “(o) SPECIAL RULES FOR APPLYING NON-
4 DISCRIMINATION RULES TO PROTECT OLDER, LONGER
5 SERVICE AND GRANDFATHERED PARTICIPANTS.—

6 “(1) TESTING OF DEFINED BENEFIT PLANS
7 WITH CLOSED CLASSES OF PARTICIPANTS.—

8 “(A) BENEFITS, RIGHTS, OR FEATURES
9 PROVIDED TO CLOSED CLASSES.—A defined
10 benefit plan which provides benefits, rights, or
11 features to a closed class of participants shall
12 not fail to satisfy the requirements of sub-
13 section (a)(4) by reason of the composition of
14 such closed class or the benefits, rights, or fea-
15 tures provided to such closed class, if—

16 “(i) for the plan year as of which the
17 class closes and the 2 succeeding plan
18 years, such benefits, rights, and features
19 satisfy the requirements of subsection
20 (a)(4) (without regard to this subpara-
21 graph but taking into account the rules of
22 subparagraph (I)),

23 “(ii) after the date as of which the
24 class was closed, any plan amendment
25 which modifies the closed class or the ben-

1 efits, rights, and features provided to such
2 closed class does not discriminate signifi-
3 cantly in favor of highly compensated em-
4 ployees, and

5 “(iii) the class was closed before April
6 5, 2017, or the plan is described in sub-
7 paragraph (C).

8 “(B) AGGREGATE TESTING WITH DEFINED
9 CONTRIBUTION PLANS PERMITTED ON A BENE-
10 FITS BASIS.—

11 “(i) IN GENERAL.—For purposes of
12 determining compliance with subsection
13 (a)(4) and section 410(b), a defined benefit
14 plan described in clause (iii) may be aggre-
15 gated and tested on a benefits basis with
16 1 or more defined contribution plans, in-
17 cluding with the portion of 1 or more de-
18 fined contribution plans which—

19 “(I) provides matching contribu-
20 tions (as defined in subsection
21 (m)(4)(A)),

22 “(II) provides annuity contracts
23 described in section 403(b) which are
24 purchased with matching contribu-
25 tions or nonelective contributions, or

1 “(III) consists of an employee
2 stock ownership plan (within the
3 meaning of section 4975(e)(7)) or a
4 tax credit employee stock ownership
5 plan (within the meaning of section
6 409(a)).

7 “(ii) SPECIAL RULES FOR MATCHING
8 CONTRIBUTIONS.—For purposes of clause
9 (i), if a defined benefit plan is aggregated
10 with a portion of a defined contribution
11 plan providing matching contributions—

12 “(I) such defined benefit plan
13 must also be aggregated with any por-
14 tion of such defined contribution plan
15 which provides elective deferrals de-
16 scribed in subparagraph (A) or (C) of
17 section 402(g)(3), and

18 “(II) such matching contribu-
19 tions shall be treated in the same
20 manner as nonelective contributions,
21 including for purposes of applying the
22 rules of subsection (l).

23 “(iii) PLANS DESCRIBED.—A defined
24 benefit plan is described in this clause if—

1 “(I) the plan provides benefits to
2 a closed class of participants,

3 “(II) for the plan year as of
4 which the class closes and the 2 suc-
5 ceeding plan years, the plan satisfies
6 the requirements of section 410(b)
7 and subsection (a)(4) (without regard
8 to this subparagraph but taking into
9 account the rules of subparagraph
10 (I)),

11 “(III) after the date as of which
12 the class was closed, any plan amend-
13 ment which modifies the closed class
14 or the benefits provided to such closed
15 class does not discriminate signifi-
16 cantly in favor of highly compensated
17 employees, and

18 “(IV) the class was closed before
19 April 5, 2017, or the plan is described
20 in subparagraph (C).

21 “(C) PLANS DESCRIBED.—A plan is de-
22 scribed in this subparagraph if, taking into ac-
23 count any predecessor plan—

1 “(i) such plan has been in effect for
2 at least 5 years as of the date the class is
3 closed, and

4 “(ii) during the 5-year period pre-
5 ceding the date the class is closed, there
6 has not been a substantial increase in the
7 coverage or value of the benefits, rights, or
8 features described in subparagraph (A) or
9 in the coverage or benefits under the plan
10 described in subparagraph (B)(iii) (which-
11 ever is applicable).

12 “(D) DETERMINATION OF SUBSTANTIAL
13 INCREASE FOR BENEFITS, RIGHTS, AND FEA-
14 TURES.—In applying subparagraph (C)(ii) for
15 purposes of subparagraph (A)(iii), a plan shall
16 be treated as having had a substantial increase
17 in coverage or value of the benefits, rights, or
18 features described in subparagraph (A) during
19 the applicable 5-year period only if, during such
20 period—

21 “(i) the number of participants cov-
22 ered by such benefits, rights, or features
23 on the date such period ends is more than
24 50 percent greater than the number of

1 such participants on the first day of the
2 plan year in which such period began, or

3 “(ii) such benefits, rights, and fea-
4 tures have been modified by 1 or more
5 plan amendments in such a way that, as of
6 the date the class is closed, the value of
7 such benefits, rights, and features to the
8 closed class as a whole is substantially
9 greater than the value as of the first day
10 of such 5-year period, solely as a result of
11 such amendments.

12 “(E) DETERMINATION OF SUBSTANTIAL
13 INCREASE FOR AGGREGATE TESTING ON BENE-
14 FITS BASIS.—In applying subparagraph (C)(ii)
15 for purposes of subparagraph (B)(iii)(IV), a
16 plan shall be treated as having had a substan-
17 tial increase in coverage or benefits during the
18 applicable 5-year period only if, during such pe-
19 riod—

20 “(i) the number of participants bene-
21 fitting under the plan on the date such pe-
22 riod ends is more than 50 percent greater
23 than the number of such participants on
24 the first day of the plan year in which such
25 period began, or

1 “(ii) the average benefit provided to
2 such participants on the date such period
3 ends is more than 50 percent greater than
4 the average benefit provided on the first
5 day of the plan year in which such period
6 began.

7 “(F) CERTAIN EMPLOYEES DIS-
8 REGARDED.—For purposes of subparagraphs
9 (D) and (E), any increase in coverage or value
10 or in coverage or benefits, whichever is applica-
11 ble, which is attributable to such coverage and
12 value or coverage and benefits provided to em-
13 ployees—

14 “(i) who became participants as a re-
15 sult of a merger, acquisition, or similar
16 event which occurred during the 7-year pe-
17 riod preceding the date the class is closed,
18 or

19 “(ii) who became participants by rea-
20 son of a merger of the plan with another
21 plan which had been in effect for at least
22 5 years as of the date of the merger,
23 shall be disregarded, except that clause (ii)
24 shall apply for purposes of subparagraph (D)
25 only if, under the merger, the benefits, rights,

1 or features under 1 plan are conformed to the
2 benefits, rights, or features of the other plan
3 prospectively.

4 “(G) RULES RELATING TO AVERAGE BEN-
5 EFIT.—For purposes of subparagraph (E)—

6 “(i) the average benefit provided to
7 participants under the plan will be treated
8 as having remained the same between the
9 2 dates described in subparagraph (E)(ii)
10 if the benefit formula applicable to such
11 participants has not changed between such
12 dates, and

13 “(ii) if the benefit formula applicable
14 to 1 or more participants under the plan
15 has changed between such 2 dates, then
16 the average benefit under the plan shall be
17 considered to have increased by more than
18 50 percent only if—

19 “(I) the total amount determined
20 under section 430(b)(1)(A)(i) for all
21 participants benefitting under the
22 plan for the plan year in which the 5-
23 year period described in subparagraph
24 (E) ends, exceeds

1 “(II) the total amount deter-
2 mined under section 430(b)(1)(A)(i)
3 for all such participants for such plan
4 year, by using the benefit formula in
5 effect for each such participant for
6 the first plan year in such 5-year pe-
7 riod, by more than 50 percent.

8 In the case of a CSEC plan (as defined in
9 section 414(y)), the normal cost of the
10 plan (as determined under section
11 433(j)(1)(B)) shall be used in lieu of the
12 amount determined under section
13 430(b)(1)(A)(i).

14 “(H) TREATMENT AS SINGLE PLAN.—For
15 purposes of subparagraphs (E) and (G), a plan
16 described in section 413(c) shall be treated as
17 a single plan rather than as separate plans
18 maintained by each employer in the plan.

19 “(I) SPECIAL RULES.—For purposes of
20 subparagraphs (A)(i) and (B)(iii)(II), the fol-
21 lowing rules shall apply:

22 “(i) In applying section 410(b)(6)(C),
23 the closing of the class of participants shall
24 not be treated as a significant change in
25 coverage under section 410(b)(6)(C)(i)(II).

1 “(ii) 2 or more plans shall not fail to
2 be eligible to be aggregated and treated as
3 a single plan solely by reason of having dif-
4 ferent plan years.

5 “(iii) Changes in the employee popu-
6 lation shall be disregarded to the extent at-
7 tributable to individuals who become em-
8 ployees or cease to be employees, after the
9 date the class is closed, by reason of a
10 merger, acquisition, divestiture, or similar
11 event.

12 “(iv) Aggregation and all other testing
13 methodologies otherwise applicable under
14 subsection (a)(4) and section 410(b) may
15 be taken into account.

16 The rule of clause (ii) shall also apply for pur-
17 poses of determining whether plans to which
18 subparagraph (B)(i) applies may be aggregated
19 and treated as 1 plan for purposes of deter-
20 mining whether such plans meet the require-
21 ments of subsection (a)(4) and section 410(b).

22 “(J) SPUN-OFF PLANS.—For purposes of
23 this paragraph, if a portion of a defined benefit
24 plan described in subparagraph (A) or (B)(iii)
25 is spun off to another employer and the spun-

1 off plan continues to satisfy the requirements
2 of—

3 “(i) subparagraph (A)(i) or
4 (B)(iii)(II), whichever is applicable, if the
5 original plan was still within the 3-year pe-
6 riod described in such subparagraph at the
7 time of the spin off, and

8 “(ii) subparagraph (A)(ii) or
9 (B)(iii)(III), whichever is applicable,
10 the treatment under subparagraph (A) or (B)
11 of the spun-off plan shall continue with respect
12 to such other employer.

13 “(2) TESTING OF DEFINED CONTRIBUTION
14 PLANS.—

15 “(A) TESTING ON A BENEFITS BASIS.—A
16 defined contribution plan shall be permitted to
17 be tested on a benefits basis if—

18 “(i) such defined contribution plan
19 provides make-whole contributions to a
20 closed class of participants whose accruals
21 under a defined benefit plan have been re-
22 duced or eliminated,

23 “(ii) for the plan year of the defined
24 contribution plan as of which the class eli-
25 gible to receive such make-whole contribu-

1 tions closes and the 2 succeeding plan
2 years, such closed class of participants sat-
3 isfies the requirements of section
4 410(b)(2)(A)(i) (determined by applying
5 the rules of paragraph (1)(I)),

6 “(iii) after the date as of which the
7 class was closed, any plan amendment to
8 the defined contribution plan which modi-
9 fies the closed class or the allocations, ben-
10 efits, rights, and features provided to such
11 closed class does not discriminate signifi-
12 cantly in favor of highly compensated em-
13 ployees, and

14 “(iv) the class was closed before April
15 5, 2017, or the defined benefit plan under
16 clause (i) is described in paragraph (1)(C)
17 (as applied for purposes of paragraph
18 (1)(B)(iii)(IV)).

19 “(B) AGGREGATION WITH PLANS INCLUD-
20 ING MATCHING CONTRIBUTIONS.—

21 “(i) IN GENERAL.—With respect to 1
22 or more defined contribution plans de-
23 scribed in subparagraph (A), for purposes
24 of determining compliance with subsection
25 (a)(4) and section 410(b), the portion of

1 such plans which provides make-whole con-
2 tributions or other nonelective contribu-
3 tions may be aggregated and tested on a
4 benefits basis with the portion of 1 or
5 more other defined contribution plans
6 which—

7 “(I) provides matching contribu-
8 tions (as defined in subsection
9 (m)(4)(A)),

10 “(II) provides annuity contracts
11 described in section 403(b) which are
12 purchased with matching contribu-
13 tions or nonelective contributions, or

14 “(III) consists of an employee
15 stock ownership plan (within the
16 meaning of section 4975(e)(7)) or a
17 tax credit employee stock ownership
18 plan (within the meaning of section
19 409(a)).

20 “(ii) SPECIAL RULES FOR MATCHING
21 CONTRIBUTIONS.—Rules similar to the
22 rules of paragraph (1)(B)(ii) shall apply
23 for purposes of clause (i).

24 “(C) SPECIAL RULES FOR TESTING DE-
25 FINED CONTRIBUTION PLAN FEATURES PRO-

1 VIDING MATCHING CONTRIBUTIONS TO CERTAIN
2 OLDER, LONGER SERVICE PARTICIPANTS.—In
3 the case of a defined contribution plan which
4 provides benefits, rights, or features to a closed
5 class of participants whose accruals under a de-
6 fined benefit plan have been reduced or elimi-
7 nated, the plan shall not fail to satisfy the re-
8 quirements of subsection (a)(4) solely by reason
9 of the composition of the closed class or the
10 benefits, rights, or features provided to such
11 closed class if the defined contribution plan and
12 defined benefit plan otherwise meet the require-
13 ments of subparagraph (A) but for the fact that
14 the make-whole contributions under the defined
15 contribution plan are made in whole or in part
16 through matching contributions.

17 “(D) SPUN-OFF PLANS.—For purposes of
18 this paragraph, if a portion of a defined con-
19 tribution plan described in subparagraph (A) or
20 (C) is spun off to another employer, the treat-
21 ment under subparagraph (A) or (C) of the
22 spun-off plan shall continue with respect to the
23 other employer if such plan continues to comply
24 with the requirements of clauses (ii) (if the
25 original plan was still within the 3-year period

1 described in such clause at the time of the spin
2 off) and (iii) of subparagraph (A), as deter-
3 mined for purposes of subparagraph (A) or (C),
4 whichever is applicable.

5 “(3) DEFINITIONS.—For purposes of this sub-
6 section—

7 “(A) MAKE-WHOLE CONTRIBUTIONS.—Ex-
8 cept as otherwise provided in paragraph (2)(C),
9 the term ‘make-whole contributions’ means non-
10 elective allocations for each employee in the
11 class which are reasonably calculated, in a con-
12 sistent manner, to replace some or all of the re-
13 tirement benefits which the employee would
14 have received under the defined benefit plan
15 and any other plan or qualified cash or deferred
16 arrangement under subsection (k)(2) if no
17 change had been made to such defined benefit
18 plan and such other plan or arrangement. For
19 purposes of the preceding sentence, consistency
20 shall not be required with respect to employees
21 who were subject to different benefit formulas
22 under the defined benefit plan.

23 “(B) REFERENCES TO CLOSED CLASS OF
24 PARTICIPANTS.—References to a closed class of
25 participants and similar references to a closed

1 class shall include arrangements under which 1
2 or more classes of participants are closed, ex-
3 cept that 1 or more classes of participants
4 closed on different dates shall not be aggre-
5 gated for purposes of determining the date any
6 such class was closed.

7 “(C) HIGHLY COMPENSATED EMPLOYEE.—
8 The term ‘highly compensated employee’ has
9 the meaning given such term in section
10 414(q).”.

11 (b) PARTICIPATION REQUIREMENTS.—Section
12 401(a)(26) is amended by adding at the end the following
13 new subparagraph:

14 “(I) PROTECTED PARTICIPANTS.—
15 “(i) IN GENERAL.—A plan shall be
16 deemed to satisfy the requirements of sub-
17 paragraph (A) if—

18 “(I) the plan is amended—
19 “(aa) to cease all benefit ac-
20 cruals, or
21 “(bb) to provide future ben-
22 efit accruals only to a closed
23 class of participants,

24 “(II) the plan satisfies subpara-
25 graph (A) (without regard to this sub-

1 paragraph) as of the effective date of
2 the amendment, and

3 “(III) the amendment was adopt-
4 ed before April 5, 2017, or the plan is
5 described in clause (ii).

6 “(ii) PLANS DESCRIBED.—A plan is
7 described in this clause if the plan would
8 be described in subsection (o)(1)(C), as ap-
9 plied for purposes of subsection
10 (o)(1)(B)(iii)(IV) and by treating the effec-
11 tive date of the amendment as the date the
12 class was closed for purposes of subsection
13 (o)(1)(C).

14 “(iii) SPECIAL RULES.—For purposes
15 of clause (i)(II), in applying section
16 410(b)(6)(C), the amendments described in
17 clause (i) shall not be treated as a signifi-
18 cant change in coverage under section
19 410(b)(6)(C)(i)(II).

20 “(iv) SPUN-OFF PLANS.—For pur-
21 poses of this subparagraph, if a portion of
22 a plan described in clause (i) is spun off to
23 another employer, the treatment under
24 clause (i) of the spun-off plan shall con-
25 tinue with respect to the other employer.”.

1 (c) EFFECTIVE DATE.—

2 (1) IN GENERAL.—Except as provided in para-
3 graph (2), the amendments made by this section
4 shall take effect on the date of the enactment of this
5 Act, without regard to whether any plan modifica-
6 tions referred to in such amendments are adopted or
7 effective before, on, or after such date of enactment.

8 (2) SPECIAL RULES.—

9 (A) ELECTION OF EARLIER APPLICA-
10 TION.—At the election of the plan sponsor, the
11 amendments made by this section shall apply to
12 plan years beginning after December 31, 2013.

13 (B) CLOSED CLASSES OF PARTICIPANTS.—
14 For purposes of paragraphs (1)(A)(iii),
15 (1)(B)(iii)(IV), and (2)(A)(iv) of section 401(o)
16 of the Internal Revenue Code of 1986 (as added
17 by this section), a closed class of participants
18 shall be treated as being closed before April 5,
19 2017, if the plan sponsor's intention to create
20 such closed class is reflected in formal written
21 documents and communicated to participants
22 before such date.

23 (C) CERTAIN POST-ENACTMENT PLAN
24 AMENDMENTS.—A plan shall not be treated as
25 failing to be eligible for the application of sec-

1 tion 401(o)(1)(A), 401(o)(1)(B)(iii), or
2 401(a)(26) of such Code (as added by this sec-
3 tion) to such plan solely because in the case
4 of—

5 (i) such section 401(o)(1)(A), the plan
6 was amended before the date of the enact-
7 ment of this Act to eliminate 1 or more
8 benefits, rights, or features, and is further
9 amended after such date of enactment to
10 provide such previously eliminated benefits,
11 rights, or features to a closed class of par-
12 ticipants, or

13 (ii) such section 401(o)(1)(B)(iii) or
14 section 401(a)(26), the plan was amended
15 before the date of the enactment of this
16 Act to cease all benefit accruals, and is
17 further amended after such date of enact-
18 ment to provide benefit accruals to a closed
19 class of participants. Any such section
20 shall only apply if the plan otherwise meets
21 the requirements of such section and in ap-
22 plying such section, the date the class of
23 participants is closed shall be the effective
24 date of the later amendment.

1 **SEC. 323. FIDUCIARY SAFE HARBOR FOR SELECTION OF**
2 **LIFETIME INCOME PROVIDER.**

3 Section 404 of the Employee Retirement Income Se-
4 curity Act of 1974 (29 U.S.C. 1104) is amended by adding
5 at the end the following:

6 “(e) SAFE HARBOR FOR ANNUITY SELECTION.—

7 “(1) IN GENERAL.—With respect to the selec-
8 tion of an insurer for a guaranteed retirement in-
9 come contract, the requirements of subsection
10 (a)(1)(B) will be deemed to be satisfied if a fidu-
11 ciary—

12 “(A) engages in an objective, thorough,
13 and analytical search for the purpose of identi-
14 fying insurers from which to purchase such con-
15 tracts;

16 “(B) with respect to each insurer identified
17 under subparagraph (A)—

18 “(i) considers the financial capability
19 of such insurer to satisfy its obligations
20 under the guaranteed retirement income
21 contract; and

22 “(ii) considers the cost (including fees
23 and commissions) of the guaranteed retire-
24 ment income contract offered by the in-
25 surer in relation to the benefits and prod-
26 uct features of the contract and adminis-

1 trative services to be provided under such
2 contract; and

3 “(C) on the basis of such consideration,
4 concludes that—

5 “(i) at the time of the selection, the
6 insurer is financially capable of satisfying
7 its obligations under the guaranteed retire-
8 ment income contract; and

9 “(ii) the relative cost of the selected
10 guaranteed retirement income contract as
11 described in subparagraph (B)(ii) is rea-
12 sonable.

13 “(2) FINANCIAL CAPABILITY OF THE IN-
14 SURER.—A fiduciary will be deemed to satisfy the
15 requirements of paragraphs (1)(B)(i) and (1)(C)(i)
16 if—

17 “(A) the fiduciary obtains written rep-
18 resentations from the insurer that—

19 “(i) the insurer is licensed to offer
20 guaranteed retirement income contracts;

21 “(ii) the insurer, at the time of selec-
22 tion and for each of the immediately pre-
23 ceding 7 plan years—

24 “(I) operates under a certificate
25 of authority from the insurance com-

1 missioner of its domiciliary State
2 which has not been revoked or sus-
3 pended;

4 “(II) has filed audited financial
5 statements in accordance with the
6 laws of its domiciliary State under ap-
7 plicable statutory accounting prin-
8 ciples;

9 “(III) maintains (and has main-
10 tained) reserves which satisfies all the
11 statutory requirements of all States
12 where the insurer does business; and

13 “(IV) is not operating under an
14 order of supervision, rehabilitation, or
15 liquidation;

16 “(iii) the insurer undergoes, at least
17 every 5 years, a financial examination
18 (within the meaning of the law of its domi-
19 ciliary State) by the insurance commis-
20 sioner of the domiciliary State (or rep-
21 resentative, designee, or other party ap-
22 proved by such commissioner); and

23 “(iv) the insurer will notify the fidu-
24 ciary of any change in circumstances oc-
25 curring after the provision of the represen-

1 tations in clauses (i), (ii), and (iii) which
2 would preclude the insurer from making
3 such representations at the time of
4 issuance of the guaranteed retirement in-
5 come contract; and

6 “(B) after receiving such representations
7 and as of the time of selection, the fiduciary
8 has not received any notice described in sub-
9 paragraph (A)(iv) and is in possession of no
10 other information which would cause the fidu-
11 ciary to question the representations provided.

12 “(3) NO REQUIREMENT TO SELECT LOWEST
13 COST.—Nothing in this subsection shall be construed
14 to require a fiduciary to select the lowest cost con-
15 tract. A fiduciary may consider the value of a con-
16 tract, including features and benefits of the contract
17 and attributes of the insurer (including, without lim-
18 itation, the insurer’s financial strength) in conjunc-
19 tion with the cost of the contract.

20 “(4) TIME OF SELECTION.—

21 “(A) IN GENERAL.—For purposes of this
22 subsection, the time of selection is—

23 “(i) the time that the insurer and the
24 contract are selected for distribution of

1 benefits to a specific participant or bene-
2 ficiary; or

3 “(ii) if the fiduciary periodically re-
4 views the continuing appropriateness of the
5 conclusion described in paragraph (1)(C)
6 with respect to a selected insurer, taking
7 into account the considerations described
8 in such paragraph, the time that the in-
9 surer and the contract are selected to pro-
10 vide benefits at future dates to participants
11 or beneficiaries under the plan.

12 Nothing in the preceding sentence shall be con-
13 strued to require the fiduciary to review the ap-
14 propriateness of a selection after the purchase
15 of a contract for a participant or beneficiary.

16 “(B) PERIODIC REVIEW.—A fiduciary will
17 be deemed to have conducted the periodic re-
18 view described in subparagraph (A)(ii) if the fi-
19 duciary obtains the written representations de-
20 scribed in clauses (i), (ii), and (iii) of paragraph
21 (2)(A) from the insurer on an annual basis, un-
22 less the fiduciary receives any notice described
23 in paragraph (2)(A)(iv) or otherwise becomes
24 aware of facts that would cause the fiduciary to
25 question such representations.

1 “(5) LIMITED LIABILITY.—A fiduciary which
2 satisfies the requirements of this subsection shall not
3 be liable following the distribution of any benefit, or
4 the investment by or on behalf of a participant or
5 beneficiary pursuant to the selected guaranteed re-
6 tirement income contract, for any losses that may
7 result to the participant or beneficiary due to an in-
8 surer’s inability to satisfy its financial obligations
9 under the terms of such contract.

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

12 “(A) INSURER.—The term ‘insurer’ means
13 an insurance company, insurance service, or in-
14 surance organization, including affiliates of
15 such companies.

16 “(B) GUARANTEED RETIREMENT INCOME
17 CONTRACT.—The term ‘guaranteed retirement
18 income contract’ means an annuity contract for
19 a fixed term or a contract (or provision or fea-
20 ture thereof) which provides guaranteed bene-
21 fits annually (or more frequently) for at least
22 the remainder of the life of the participant or
23 the joint lives of the participant and the partici-
24 pant’s designated beneficiary as part of an indi-
25 vidual account plan.”.

1 **SEC. 324. DISCLOSURE REGARDING LIFETIME INCOME.**

2 (a) IN GENERAL.—Subparagraph (B) of section
3 105(a)(2) of the Employee Retirement Income Security
4 Act of 1974 (29 U.S.C. 1025(a)(2)) is amended—

5 (1) in clause (i), by striking “and” at the end;

6 (2) in clause (ii), by striking “diversification.”

7 and inserting “diversification, and”; and

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

9 “(iii) the lifetime income disclosure
10 described in subparagraph (D)(i).

11 In the case of pension benefit statements de-
12 scribed in clause (i) of paragraph (1)(A), a life-
13 time income disclosure under clause (iii) of this
14 subparagraph shall be required to be included
15 in only one pension benefit statement during
16 any one 12-month period.”.

17 (b) LIFETIME INCOME.—Paragraph (2) of section
18 105(a) of the Employee Retirement Income Security Act
19 of 1974 (29 U.S.C. 1025(a)) is amended by adding at the
20 end the following new subparagraph:

21 “(D) LIFETIME INCOME DISCLOSURE.—

22 “(i) IN GENERAL.—

23 “(I) DISCLOSURE.—A lifetime in-
24 come disclosure shall set forth the life-
25 time income stream equivalent of the

1 total benefits accrued with respect to
2 the participant or beneficiary.

3 “(II) LIFETIME INCOME STREAM
4 EQUIVALENT OF THE TOTAL BENE-
5 FITS ACCRUED.—For purposes of this
6 subparagraph, the term ‘lifetime in-
7 come stream equivalent of the total
8 benefits accrued’ means the amount of
9 monthly payments the participant or
10 beneficiary would receive if the total
11 accrued benefits of such participant or
12 beneficiary were used to provide life-
13 time income streams described in sub-
14 clause (III), based on assumptions
15 specified in rules prescribed by the
16 Secretary.

17 “(III) LIFETIME INCOME
18 STREAMS.—The lifetime income
19 streams described in this subclause
20 are a qualified joint and survivor an-
21 nuity (as defined in section 205(d)),
22 based on assumptions specified in
23 rules prescribed by the Secretary, in-
24 cluding the assumption that the par-
25 ticipant or beneficiary has a spouse of

1 equal age, and a single life annuity.
2 Such lifetime income streams may
3 have a term certain or other features
4 to the extent permitted under rules
5 prescribed by the Secretary.

6 “(ii) MODEL DISCLOSURE.—Not later
7 than 1 year after the date of the enact-
8 ment of the Retirement Enhancement and
9 Savings Act of 2018, the Secretary shall
10 issue a model lifetime income disclosure,
11 written in a manner so as to be understood
12 by the average plan participant, which—

13 “(I) explains that the lifetime in-
14 come stream equivalent is only pro-
15 vided as an illustration;

16 “(II) explains that the actual
17 payments under the lifetime income
18 stream described in clause (i)(III)
19 which may be purchased with the
20 total benefits accrued will depend on
21 numerous factors and may vary sub-
22 stantially from the lifetime income
23 stream equivalent in the disclosures;

1 “(III) explains the assumptions
2 upon which the lifetime income stream
3 equivalent was determined; and

4 “(IV) provides such other similar
5 explanations as the Secretary con-
6 siders appropriate.

7 “(iii) ASSUMPTIONS AND RULES.—
8 Not later than 1 year after the date of the
9 enactment of the Retirement Enhancement
10 and Savings Act of 2018, the Secretary
11 shall—

12 “(I) prescribe assumptions which
13 administrators of individual account
14 plans may use in converting total ac-
15 crued benefits into lifetime income
16 stream equivalents for purposes of
17 this subparagraph; and

18 “(II) issue interim final rules
19 under clause (i).

20 In prescribing assumptions under sub-
21 clause (I), the Secretary may prescribe a
22 single set of specific assumptions (in which
23 case the Secretary may issue tables or fac-
24 tors which facilitate such conversions), or
25 ranges of permissible assumptions. To the

1 extent that an accrued benefit is or may be
2 invested in a lifetime income stream de-
3 scribed in clause (i)(III), the assumptions
4 prescribed under subclause (I) shall, to the
5 extent appropriate, permit administrators
6 of individual account plans to use the
7 amounts payable under such lifetime in-
8 come stream as a lifetime income stream
9 equivalent.

10 “(iv) LIMITATION ON LIABILITY.—No
11 plan fiduciary, plan sponsor, or other per-
12 son shall have any liability under this title
13 solely by reason of the provision of lifetime
14 income stream equivalents which are de-
15 rived in accordance with the assumptions
16 and rules described in clause (iii) and
17 which include the explanations contained in
18 the model lifetime income disclosure de-
19 scribed in clause (ii). This clause shall
20 apply without regard to whether the provi-
21 sion of such lifetime income stream equiva-
22 lent is required by subparagraph (B)(iii).

23 “(v) EFFECTIVE DATE.—The require-
24 ment in subparagraph (B)(iii) shall apply
25 to pension benefit statements furnished

1 more than 12 months after the latest of
2 the issuance by the Secretary of—

3 “(I) interim final rules under
4 clause (i);

5 “(II) the model disclosure under
6 clause (ii); or

7 “(III) the assumptions under
8 clause (iii).”.

9 **SEC. 325. MODIFICATION OF PBGC PREMIUMS FOR CSEC**
10 **PLANS.**

11 (a) **FLAT RATE PREMIUM.**—Subparagraph (A) of
12 section 4006(a)(3) of the Employee Retirement Income
13 Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amend-
14 ed—

15 (1) in clause (i), by striking “plan,” and insert-
16 ing “plan other than a CSEC plan (as defined in
17 section 210(f)(1))”;

18 (2) in clause (v), by striking “or” at the end;

19 (3) in clause (vi), by striking the period at the
20 end and inserting “, or”; and

21 (4) by adding at the end the following new
22 clause:

23 “(vii) in the case of a CSEC plan (as
24 defined in section 210(f)(1)), for plan
25 years beginning after December 31, 2017,

1 for each individual who is a participant in
2 such plan during the plan year an amount
3 equal to the sum of—

4 “(I) the additional premium (if
5 any) determined under subparagraph
6 (E), and

7 “(II) \$19.”.

8 (b) VARIABLE RATE PREMIUM.—

9 (1) UNFUNDED VESTED BENEFITS.—

10 (A) IN GENERAL.—Subparagraph (E) of
11 section 4006(a)(3) of the Employee Retirement
12 Income Security Act of 1974 (29 U.S.C.
13 1306(a)(3)) is amended by adding at the end
14 the following new clause:

15 “(v) For purposes of clause (ii), in the
16 case of a CSEC plan (as defined in section
17 210(f)(1)), the term ‘unfunded vested ben-
18 efits’ means, for plan years beginning after
19 December 31, 2017, the excess (if any)
20 of—

21 “(I) the funding liability of the
22 plan as determined under section
23 306(j)(5)(C) for the plan year by only
24 taking into account vested benefits,
25 over

1 “(II) the fair market value of
2 plan assets for the plan year which
3 are held by the plan on the valuation
4 date.”.

5 (B) CONFORMING AMENDMENT.—Clause
6 (iii) of section 4006(a)(3)(E) of such Act (29
7 U.S.C. 1306(a)(3)(E)) is amended by striking
8 “For purposes” and inserting “Except as pro-
9 vided in clause (v), for purposes”.

10 (2) APPLICABLE DOLLAR AMOUNT.—

11 (A) IN GENERAL.—Paragraph (8) of sec-
12 tion 4006(a) of such Act (29 U.S.C. 1306(a))
13 is amended by adding at the end the following
14 new subparagraph:

15 “(E) CSEC PLANS.—In the case of a
16 CSEC plan (as defined in section 210(f)(1)),
17 the applicable dollar amount shall be \$9.”.

18 (B) CONFORMING AMENDMENT.—Subpara-
19 graph (A) of section 4006(a)(8) of such Act (29
20 U.S.C. 1306(a)(8)) is amended by striking “(B)
21 and (C)” and inserting “(B), (C), and (E)”.

1 **Subtitle C—Other Savings**
2 **Provisions**

3 **SEC. 331. PENALTY-FREE WITHDRAWALS FROM RETIRE-**
4 **MENT PLANS FOR INDIVIDUALS IN CASE OF**
5 **BIRTH OF CHILD OR ADOPTION.**

6 (a) IN GENERAL.—Section 72(t)(2) is amended by
7 adding at the end the following new subparagraph:

8 “(H) DISTRIBUTIONS FROM RETIREMENT
9 PLANS IN CASE OF BIRTH OF CHILD OR ADOP-
10 TION.—

11 “(i) IN GENERAL.—Any qualified
12 birth or adoption distribution.

13 “(ii) LIMITATION.—The aggregate
14 amount which may be treated as qualified
15 birth or adoption distributions by any indi-
16 vidual with respect to any birth or adop-
17 tion shall not exceed \$7,500.

18 “(iii) QUALIFIED BIRTH OR ADOPTION
19 DISTRIBUTION.—For purposes of this sub-
20 paragraph—

21 “(I) IN GENERAL.—The term
22 ‘qualified birth or adoption distribu-
23 tion’ means any distribution from an
24 applicable eligible retirement plan to
25 an individual if made during the 1-

1 year period beginning on the date on
2 which a child of the individual is born
3 or on which the legal adoption by the
4 individual of an eligible child is final-
5 ized.

6 “(II) ELIGIBLE CHILD.—The
7 term ‘eligible child’ means any indi-
8 vidual (other than a child of the tax-
9 payer’s spouse) who has not attained
10 age 18 or is physically or mentally in-
11 capable of self-support.

12 “(iv) TREATMENT OF PLAN DISTRIBU-
13 TIONS.—

14 “(I) IN GENERAL.—If a distribu-
15 tion to an individual would (without
16 regard to clause (ii)) be a qualified
17 birth or adoption distribution, a plan
18 shall not be treated as failing to meet
19 any requirement of this title merely
20 because the plan treats the distribu-
21 tion as a qualified birth or adoption
22 distribution, unless the aggregate
23 amount of such distributions from all
24 plans maintained by the employer
25 (and any member of any controlled

1 group which includes the employer) to
2 such individual exceeds \$7,500.

3 “(II) CONTROLLED GROUP.—For
4 purposes of subclause (I), the term
5 ‘controlled group’ means any group
6 treated as a single employer under
7 subsection (b), (c), (m), or (o) of sec-
8 tion 414.

9 “(V) AMOUNT DISTRIBUTED MAY BE
10 REPAID.—

11 “(I) IN GENERAL.—Any indi-
12 vidual who receives a qualified birth
13 or adoption distribution may make
14 one or more contributions in an ag-
15 gregate amount not to exceed the
16 amount of such distribution to an ap-
17 plicable eligible retirement plan of
18 which such individual is a beneficiary
19 and to which a rollover contribution of
20 such distribution could be made under
21 section 402(c), 403(a)(4), 403(b)(8),
22 408(d)(3), or 457(e)(16), as the case
23 may be.

24 “(II) LIMITATION ON CONTRIBU-
25 TIONS TO APPLICABLE ELIGIBLE RE-

1 TIREMENT PLANS OTHER THAN
2 IRAS.—The aggregate amount of con-
3 tributions made by an individual
4 under subclause (I) to any applicable
5 eligible retirement plan which is not
6 an individual retirement plan shall not
7 exceed the aggregate amount of quali-
8 fied birth or adoption distributions
9 which are made from such plan to
10 such individual. Subclause (I) shall
11 not apply to contributions to any ap-
12 plicable eligible retirement plan which
13 is not an individual retirement plan
14 unless the individual is eligible to
15 make contributions (other than those
16 described in subclause (I)) to such ap-
17 plicable eligible retirement plan.

18 “(III) TREATMENT OF REPAY-
19 MENTS OF DISTRIBUTIONS FROM AP-
20 PLICABLE ELIGIBLE RETIREMENT
21 PLANS OTHER THAN IRAS.—If a con-
22 tribution is made under subclause (I)
23 with respect to a qualified birth or
24 adoption distribution from an applica-
25 ble eligible retirement plan other than

1 an individual retirement plan, then
2 the taxpayer shall, to the extent of the
3 amount of the contribution, be treated
4 as having received such distribution in
5 an eligible rollover distribution (as de-
6 fined in section 402(c)(4)) and as
7 having transferred the amount to the
8 applicable eligible retirement plan in a
9 direct trustee to trustee transfer with-
10 in 60 days of the distribution.

11 “(IV) TREATMENT OF REPAY-
12 MENTS FOR DISTRIBUTIONS FROM
13 IRAS.—If a contribution is made
14 under subclause (I) with respect to a
15 qualified birth or adoption distribution
16 from an individual retirement plan,
17 then, to the extent of the amount of
18 the contribution, such distribution
19 shall be treated as a distribution de-
20 scribed in section 408(d)(3) and as
21 having been transferred to the appli-
22 cable eligible retirement plan in a di-
23 rect trustee to trustee transfer within
24 60 days of the distribution.

1 “(vi) DEFINITION AND SPECIAL
2 RULES.—For purposes of this subpara-
3 graph—

4 “(I) APPLICABLE ELIGIBLE RE-
5 TIREMENT PLAN.—The term ‘applica-
6 ble eligible retirement plan’ means an
7 eligible retirement plan (as defined in
8 section 402(c)(8)(B)) other than a de-
9 fined benefit plan.

10 “(II) EXEMPTION OF DISTRIBU-
11 TIONS FROM TRUSTEE TO TRUSTEE
12 TRANSFER AND WITHHOLDING
13 RULES.—For purposes of sections
14 401(a)(31), 402(f), and 3405, a quali-
15 fied birth or adoption distribution
16 shall not be treated as an eligible roll-
17 over distribution.

18 “(III) TAXPAYER MUST INCLUDE
19 TIN.—A distribution shall not be
20 treated as a qualified birth or adop-
21 tion distribution with respect to any
22 child or eligible child unless the tax-
23 payer includes the name, age, and
24 TIN of such child or eligible child on

1 the taxpayer's return of tax for the
2 taxable year.

3 “(IV) DISTRIBUTIONS TREATED
4 AS MEETING PLAN DISTRIBUTION RE-
5 QUIREMENTS.—Any qualified birth or
6 adoption distribution shall be treated
7 as meeting the requirements of sec-
8 tions 401(k)(2)(B)(i),
9 403(b)(7)(A)(ii), 403(b)(11), and
10 457(d)(1)(A).”.

11 (b) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to distributions made after Decem-
13 ber 31, 2018.

14 **TITLE IV—AMERICAN** 15 **INNOVATION**

16 **SEC. 401. SIMPLIFICATION AND EXPANSION OF DEDUCTION**
17 **FOR START-UP AND ORGANIZATIONAL EX-**
18 **PENDITURES.**

19 (a) IN GENERAL.—Section 195 is amended by redес-
20 ignating subsections (c) and (d) as subsections (d) and
21 (e), respectively, and by striking all that precedes sub-
22 section (d) (as so redesignated) and inserting the fol-
23 lowing:

1 **“SEC. 195. START-UP AND ORGANIZATIONAL EXPENDI-**
2 **TURES.**

3 “(a) CAPITALIZATION OF EXPENDITURES.—Except
4 as otherwise provided in this section, no deduction shall
5 be allowed for start-up or organizational expenditures.

6 “(b) ELECTION TO DEDUCT.—

7 “(1) IN GENERAL.—If a taxpayer elects the ap-
8 plication of this subsection with respect to any active
9 trade or business—

10 “(A) the taxpayer shall be allowed a deduc-
11 tion for the taxable year in which such active
12 trade or business begins in an amount equal to
13 the lesser of—

14 “(i) the aggregate amount of start-up
15 and organizational expenditures paid or in-
16 curred in connection with such active trade
17 or business, or

18 “(ii) \$20,000, reduced (but not below
19 zero) by the amount by which such aggre-
20 gate amount exceeds \$120,000, and

21 “(B) the remainder of such start-up and
22 organizational expenditures shall be charged to
23 capital account and allowed as an amortization
24 deduction determined by amortizing such ex-
25 penditures ratably over the 180-month period

1 beginning with the month in which the active
2 trade or business begins.

3 “(2) APPLICATION TO ORGANIZATIONAL EX-
4 PENDITURES.—In the case of organizational expend-
5 itures with respect to any corporation or partner-
6 ship, the active trade or business referred to in para-
7 graph (1) means the first active trade or business
8 carried on by such corporation or partnership.

9 “(3) INFLATION ADJUSTMENT.—In the case of
10 any taxable year beginning after December 31,
11 2019, the \$20,000 and \$120,000 amounts in para-
12 graph (1)(A)(ii) shall each be increased by an
13 amount equal to—

14 “(A) such dollar amount, multiplied by

15 “(B) the cost-of-living adjustment deter-
16 mined under section 1(f)(3) for the calendar
17 year in which the taxable year begins, deter-
18 mined by substituting ‘calendar year 2018’ for
19 ‘calendar year 2016’ in subparagraph (A)(ii)
20 thereof.

21 If any amount as increased under the preceding sen-
22 tence is not a multiple of \$1,000, such amount shall
23 be rounded to the nearest multiple of \$1,000.

24 “(c) ALLOWANCE OF DEDUCTION UPON LIQUIDA-
25 TION OR DISPOSITION.—

1 “(1) LIQUIDATION OF PARTNERSHIP OR COR-
2 PORATION.—If any partnership or corporation is
3 completely liquidated by the taxpayer, any start-up
4 or organizational expenditures paid or incurred in
5 connection with such partnership or corporation
6 which were not allowed as a deduction by reason of
7 this section may be deducted to the extent allowable
8 under section 165.

9 “(2) DISPOSITION OF TRADE OR BUSINESS.—If
10 any trade or business is completely disposed of or
11 discontinued by the taxpayer, any start-up expendi-
12 tures paid or incurred in connection with such trade
13 or business which were not allowed as a deduction
14 by reason of this section (and not taken into account
15 in connection with a liquidation to which paragraph
16 (1) applies) may be deducted to the extent allowable
17 under section 165. For purposes of this paragraph,
18 in the case of any deduction allowed under sub-
19 section (b)(1) with respect to both start-up and or-
20 ganizational expenditures, the amount treated as so
21 allowed with respect to start-up expenditures shall
22 bear the same ratio to such deduction as the start-
23 up expenditures taken into account in determining
24 such deduction bears to the aggregate of the start-

1 up and organizational expenditures so taken into ac-
2 count.”.

3 (b) ORGANIZATIONAL EXPENDITURES.—Section
4 195(d), as redesignated by subsection (a), is amended by
5 adding at the end the following new paragraphs:

6 “(3) ORGANIZATIONAL EXPENDITURES.—The
7 term ‘organizational expenditures’ means any ex-
8 penditure which—

9 “(A) is incident to the creation of a cor-
10 poration or a partnership,

11 “(B) is chargeable to capital account, and

12 “(C) is of a character which, if expended
13 incident to the creation of a corporation or a
14 partnership having an ascertainable life, would
15 be amortizable over such life.

16 “(4) APPLICATION TO CERTAIN DISREGARDED
17 ENTITIES.—In the case of any entity with a single
18 owner that is disregarded as an entity separate from
19 its owner, this section shall be applied in the same
20 manner as if such entity were a corporation.”.

21 (c) ELECTION.—Section 195(e)(2), as redesignated
22 by subsection (a), is amended to read as follows:

23 “(2) PARTNERSHIPS AND S CORPORATIONS.—In
24 the case of any partnership or S corporation, the

1 election under subsection (b) shall be made (and this
2 section shall be applied) at the entity level.”.

3 (d) CONFORMING AMENDMENTS.—

4 (1)(A) Part VIII of subchapter B of chapter 1
5 is amended by striking section 248 (and by striking
6 the item relating to such section in the table of sec-
7 tions of such part).

8 (B) Section 170(b)(2)(D)(ii) is amended by
9 striking “(except section 248)”.

10 (C) Section 312(n)(3) is amended by striking
11 “Sections 173 and 248” and inserting “Sections 173
12 and 195”.

13 (D) Section 535(b)(3) is amended by striking
14 “(except section 248)”.

15 (E) Section 545(b)(3) is amended by striking
16 “(except section 248)”.

17 (F) Section 545(b)(4) is amended by striking
18 “(except section 248)”.

19 (G) Section 834(c)(7) is amended by striking
20 “(except section 248)”.

21 (H) Section 852(b)(2)(C) is amended by strik-
22 ing “(except section 248)”.

23 (I) Section 857(b)(2)(A) is amended by striking
24 “(except section 248)”.

1 (J) Section 1363(b) is amended by adding
2 “and” at the end of paragraph (2), by striking para-
3 graph (3), and by redesignating paragraph (4) as
4 paragraph (3).

5 (K) Section 1375(b)(1)(B)(i) is amended by
6 striking “(other than the deduction allowed by sec-
7 tion 248, relating to organization expenditures)”.

8 (2)(A) Section 709 is amended to read as fol-
9 lows:

10 **“SEC. 709. TREATMENT OF SYNDICATION FEES.**

11 “No deduction shall be allowed under this chapter to
12 a partnership or to any partner of the partnership for any
13 amounts paid or incurred to promote the sale of (or to
14 sell) an interest in the partnership.”

15 (B) The item relating to section 709 in the
16 table of sections for part I of subchapter K of chap-
17 ter 1 is amended to read as follows:

“Sec. 709. Treatment of syndication fees.”

18 (3) Section 1202(e)(2)(A) is amended by strik-
19 ing “section 195(c)(1)(A)” and inserting “section
20 195(d)(1)(A)”.

21 (4) The item relating to section 195 in the table
22 of contents of part VI of subchapter B of chapter 1
23 is amended to read as follows:

“Sec. 195. Start-up and organizational expenditures.”

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to expenditures paid or incurred
3 in connection with active trades or businesses which begin
4 in taxable years beginning after December 31, 2018.

5 **SEC. 402. PRESERVATION OF START-UP NET OPERATING**
6 **LOSSES AND TAX CREDITS AFTER OWNER-**
7 **SHIP CHANGE.**

8 (a) APPLICATION TO NET OPERATING LOSSES.—
9 Section 382(d) is amended by adding at the end the fol-
10 lowing new paragraph:

11 “(4) EXCEPTION FOR START-UP LOSSES.—

12 “(A) IN GENERAL.—In the case of any net
13 operating loss carryforward described in para-
14 graph (1)(A) which arose in a start-up period
15 taxable year, the amount of such net operating
16 loss carryforward otherwise taken into account
17 under such paragraph shall be reduced by the
18 net start-up loss determined with respect to the
19 trade or business referred to in subparagraph
20 (B)(i) for such start-up period taxable year.

21 “(B) START-UP PERIOD TAXABLE YEAR.—
22 The term ‘start-up period taxable year’ means
23 any taxable year of the old loss corporation
24 which—

1 “(i) begins before the close of the 3-
2 year period beginning on the date on which
3 any trade or business of such corporation
4 begins as an active trade or business (as
5 determined under section 195(d)(2) with-
6 out regard to subparagraph (B) thereof),
7 and

8 “(ii) ends after September 10, 2018.

9 “(C) NET START-UP LOSS.—

10 “(i) IN GENERAL.—The term ‘net
11 start-up loss’ means, with respect to any
12 trade or business referred to in subpara-
13 graph (B)(i) for any start-up period tax-
14 able year, the amount which bears the
15 same ratio (but not greater than 1) to the
16 net operating loss carryforward which
17 arose in such start-up period taxable year
18 as—

19 “(I) the net operating loss (if
20 any) which would have been deter-
21 mined for such start-up period taxable
22 year if only items of income, gain, de-
23 duction, and loss properly allocable to
24 such trade or business were taken into
25 account, bears to

1 “(II) the amount of the net oper-
2 ating loss determined for such start-
3 up period taxable year.

4 “(ii) SPECIAL RULE FOR LAST TAX-
5 ABLE YEAR IN START-UP PERIOD.—In the
6 case of any start-up period taxable year
7 which ends after the close of the 3-year pe-
8 riod described in subparagraph (B)(i) with
9 respect to any trade or business, the net
10 start-up loss with respect to such trade or
11 business for such start-up period taxable
12 year shall be the same proportion of such
13 loss (determined without regard to this
14 clause) as the proportion of such start-up
15 period taxable year which is on or before
16 the last day of such period.

17 “(D) APPLICATION TO NET OPERATING
18 LOSS ARISING IN YEAR OF OWNERSHIP
19 CHANGE.—Subparagraph (A) shall apply to any
20 net operating loss described in paragraph
21 (1)(B) in the same manner as such subpara-
22 graph applies to net operating loss
23 carryforwards described in paragraph (1)(A),
24 but by only taking into account the amount of
25 such net operating loss (and the amount of the

1 net start-up loss) which is allocable under para-
2 graph (1)(B) to the period described in such
3 paragraph. Proper adjustment in the allocation
4 of the net start-up loss under the preceding
5 sentence shall be made in the case of a taxable
6 year to which subparagraph (C)(ii) applies.

7 “(E) APPLICATION TO TAXABLE YEARS
8 WHICH ARE START-UP PERIOD TAXABLE YEARS
9 WITH RESPECT TO MORE THAN 1 TRADE OR
10 BUSINESS.—In the case of any net operating
11 loss carryforward which arose in a taxable year
12 which is a start-up period taxable year with re-
13 spect to more than 1 trade or business—

14 “(i) this paragraph shall be applied
15 separately with respect to each such trade
16 or business, and

17 “(ii) the aggregate reductions under
18 subparagraph (A) shall not exceed such net
19 operating loss carryforward.

20 “(F) CONTINUITY OF BUSINESS REQUIRE-
21 MENT.—If the new loss corporation does not
22 continue the trade or business referred to in
23 subparagraph (B)(i) at all times during the 2-
24 year period beginning on the change date, this

1 paragraph shall not apply with respect to such
2 trade or business.

3 “(G) CERTAIN TITLE 11 OR SIMILAR
4 CASES.—

5 “(i) MULTIPLE OWNERSHIP
6 CHANGES.—In the case of a 2nd ownership
7 change to which subsection (l)(5)(D) ap-
8 plies, this paragraph shall not apply for
9 purposes of determining the pre-change
10 loss with respect to such 2nd ownership
11 change.

12 “(ii) CERTAIN INSOLVENCY TRANS-
13 ACTIONS.—If subsection (l)(6) applies for
14 purposes of determining the value of the
15 old loss corporation under subsection (e),
16 this paragraph shall not apply.

17 “(H) NOT APPLICABLE TO DISALLOWED
18 INTEREST.—This paragraph shall not apply for
19 purposes of applying the rules of paragraph (1)
20 to the carryover of disallowed interest under
21 paragraph (3).

22 “(I) TRANSITION RULE.—This paragraph
23 shall not apply with respect to any trade or
24 business if the date on which such trade or
25 business begins as an active trade or business

1 (as determined under section 195(d)(2) without
2 regard to subparagraph (B) thereof) is on or
3 before September 10, 2018.”.

4 (b) APPLICATION TO EXCESS CREDITS.—Section 383
5 is amended by redesignating subsection (e) as subsection
6 (f) and by inserting after subsection (d) the following new
7 subsection:

8 “(e) EXCEPTION FOR START-UP EXCESS CREDITS.—

9 “(1) IN GENERAL.—In the case of any unused
10 general business credit of the corporation under sec-
11 tion 39 which arose in a start-up period taxable
12 year, the amount of such unused general business
13 credit otherwise taken into account under subsection
14 (a)(2)(A) shall be reduced by the start-up excess
15 credit determined with respect to any trade or busi-
16 ness referred to in section 382(d)(4)(B)(i) for such
17 start-up period taxable year.

18 “(2) START-UP PERIOD TAXABLE YEAR.—For
19 purposes of this subsection, the term ‘start-up pe-
20 riod taxable year’ has the meaning given such term
21 in section 382(d)(4)(B).

22 “(3) START-UP EXCESS CREDIT.—For purposes
23 of this subsection, the term ‘start-up excess credit’
24 means, with respect to any trade or business re-
25 ferred to in section 382(d)(4)(B)(i) for any start-up

1 period taxable year, the amount which bears the
2 same ratio to the unused general business credit
3 which arose in such start-up period taxable year
4 as—

5 “(A) the amount of the general business
6 credit which would have been determined for
7 such start-up period taxable year if only credits
8 properly allocable to such trade or business
9 were taken into account, bears to

10 “(B) the amount of the general business
11 credit determined for such start-up period tax-
12 able year.

13 “(4) APPLICATION OF CERTAIN RULES.—Rules
14 similar to the rules of subparagraphs (C)(ii), (D),
15 (E), and (F) of section 382(d)(4) shall apply for
16 purposes of this subsection.

17 “(5) TRANSITION RULE.—This subsection shall
18 not apply with respect to any trade or business if
19 the date on which such trade or business begins as
20 an active trade or business (as determined under
21 section 195(d)(2) without regard to subparagraph
22 (B) thereof) is on or before September 10, 2018.”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to taxable years ending after Sep-
25 tember 10, 2018.

1 **TITLE V—CERTAIN TAX**
2 **TECHNICAL CORRECTIONS**

3 **SEC. 501. AMENDMENTS RELATING TO PUBLIC LAW 115-97.**

4 (a) AMENDMENT RELATING TO SECTION 11011.—

5 Section 852(b) is amended by adding at the end the fol-
6 lowing:

7 “(10) TREATMENT BY SHAREHOLDERS OF
8 QUALIFIED REIT DIVIDENDS AND QUALIFIED PUB-
9 LICLY TRADED PARTNERSHIP INCOME.—

10 “(A) IN GENERAL.—A shareholder of a
11 regulated investment company shall take into
12 account for purposes of section
13 199A(b)(1)(B)—

14 “(i) as a qualified REIT dividend the
15 amount which is reported by the company
16 (in written statements furnished to its
17 shareholders) as being attributable to
18 qualified REIT dividends received by the
19 company, and

20 “(ii) as qualified publicly traded part-
21 nership income the amount which is re-
22 ported by the company (in written state-
23 ments furnished to its shareholders) as
24 being attributable to qualified publicly
25 traded partnership income of the company.

1 “(B) EXCESS REPORTED AMOUNTS.—
2 Rules similar to the rules of clauses (ii) and
3 (iii) of paragraph (5)(A) shall apply for pur-
4 poses of this paragraph.

5 “(C) NEGATIVE QUALIFIED PUBLICLY
6 TRADED PARTNERSHIP INCOME REQUIRED TO
7 BE TAKEN INTO ACCOUNT.—If the qualified
8 publicly traded partnership income of the com-
9 pany is less than zero, such income shall be re-
10 ported by the company under subparagraph
11 (A)(ii).

12 “(D) REGULATIONS.—The Secretary shall
13 issue such regulations or other guidance as may
14 be necessary or appropriate to carry out the
15 purposes of this paragraph.”.

16 (b) AMENDMENTS RELATING TO SECTION 13204.—

17 (1) Section 168(e)(3)(E) is amended by striking
18 “and” at the end of clause (v), by striking the pe-
19 riod at the end of clause (vi) and inserting “, and”,
20 and by adding at the end the following new clause:

21 “(vii) any qualified improvement prop-
22 erty.”.

23 (2) The table contained in subparagraph (B) of
24 section 168(g)(3) is amended—

1 (A) by striking the item relating to sub-
2 paragraph (D)(v), and

3 (B) by inserting after the item relating to
4 subparagraph (E)(vi) the following new item:
“(E)(vii) 20”.

5 (c) AMENDMENT RELATING TO SECTION 13302.—
6 Section 13302(e)(2) of Public Law 115-97 is amended by
7 striking “ending” and inserting “beginning”.

8 (d) AMENDMENT RELATING TO SECTION 13307.—
9 Section 162(q)(2) is amended by inserting “in the case
10 of the taxpayer for whom a deduction is disallowed by rea-
11 son of paragraph (1),” before “attorney’s fees”.

12 (e) AMENDMENT RELATING TO SECTION 14103.—
13 Section 965(h) is amended by adding at the end the fol-
14 lowing new paragraphs:

15 “(7) EXCESS REMITTANCE OF INSTALLMENT
16 SUBJECT TO CREDIT OR REFUND.—

17 “(A) IN GENERAL.—In the case of a re-
18 quest to credit or refund any excess remittance
19 with respect to an installment under this sub-
20 section—

21 “(i) the Secretary, within the applica-
22 ble period of limitations, may credit the
23 amount of any excess remittance, without
24 interest, against any liability in respect of
25 an internal revenue tax on the part of the

1 person who made the excess remittance
2 and may refund the excess remittance,
3 without interest, to such person in the
4 same manner as if it were an overpayment
5 of tax for purposes of section 6402, and

6 “(ii) the first sentence of section 6403
7 shall not apply with respect to such install-
8 ment.

9 “(B) EXCESS REMITTANCE.—For purposes
10 of this paragraph, the term ‘excess remittance’
11 means a payment, including an estimated in-
12 come tax payment, that exceeds the sum of—

13 “(i) the net income tax liability de-
14 scribed under section 965(h)(6)(A)(ii), plus

15 “(ii) the sum of all installments for
16 which the payment due date under this
17 subsection has passed.

18 “(8) INSTALLMENTS NOT TO PREVENT ADJUST-
19 MENT OF OVERPAYMENT OF ESTIMATED INCOME
20 TAX BY CORPORATION.—In the case of any tax due
21 as an installment under this subsection, the tax in-
22 stallment shall not be taken into account as a tax
23 for purposes of section 6425(c)(1)(A) until the date
24 on which the tax installment is due.”.

1 (f) EFFECTIVE DATES.—Except as otherwise pro-
2 vided in this section, the amendments made by this section
3 shall take effect as if included in the provision of Public
4 Law 115-97 to which they relate.

5 **DIVISION B—TAXPAYER FIRST**
6 **ACT OF 2018**

7 **SECTION 1. SHORT TITLE; ETC.**

8 (a) SHORT TITLE.—This division may be cited as the
9 “Taxpayer First Act of 2018”.

10 (b) AMENDMENT OF 1986 CODE.—Except as other-
11 wise expressly provided, whenever in this division an
12 amendment or repeal is expressed in terms of an amend-
13 ment to, or repeal of, a section or other provision, the ref-
14 erence shall be considered to be made to a section or other
15 provision of the Internal Revenue Code of 1986.

16 (c) TABLE OF CONTENTS.—The table of contents for
17 this division is as follows:

Sec. 1. Short title; etc.

TITLE I—PUTTING TAXPAYERS FIRST

Subtitle A—Independent Appeals Process

Sec. 1001. Establishment of Internal Revenue Service Independent Office of Appeals.

Subtitle B—Improved Service

Sec. 1101. Comprehensive customer service strategy.

Sec. 1102. IRS Free File Program.

Sec. 1103. Low-income exception for payments otherwise required in connection with a submission of an offer-in-compromise.

Subtitle C—Sensible Enforcement

Sec. 1201. Internal Revenue Service seizure requirements with respect to structuring transactions.

- Sec. 1202. Exclusion of interest received in action to recover property seized by the Internal Revenue Service based on structuring transaction.
- Sec. 1203. Clarification of equitable relief from joint liability.
- Sec. 1204. Modification of procedures for issuance of third-party summons.
- Sec. 1205. Private debt collection and special compliance personnel program.
- Sec. 1206. Reform of notice of contact of third parties.
- Sec. 1207. Modification of authority to issue designated summons.
- Sec. 1208. Limitation on access of non-Internal Revenue Service employees to returns and return information.

Subtitle D—Organizational Modernization

- Sec. 1301. Office of the National Taxpayer Advocate.
- Sec. 1302. Modernization of Internal Revenue Service organizational structure.

Subtitle E—Other Provisions

- Sec. 1401. Return preparation programs for applicable taxpayers.
- Sec. 1402. Provision of information regarding low-income taxpayer clinics.
- Sec. 1403. Notice from IRS regarding closure of taxpayer assistance centers.
- Sec. 1404. Rules for seizure and sale of perishable goods restricted to only perishable goods.
- Sec. 1405. Whistleblower reforms.
- Sec. 1406. Customer service information.
- Sec. 1407. Misdirected tax refund deposits.

TITLE II—21ST CENTURY IRS

Subtitle A—Cybersecurity and Identity Protection

- Sec. 2001. Public-private partnership to address identity theft refund fraud.
- Sec. 2002. Recommendations of Electronic Tax Administration Advisory Committee regarding identity theft refund fraud.
- Sec. 2003. Information sharing and analysis center.
- Sec. 2004. Compliance by contractors with confidentiality safeguards.
- Sec. 2005. Report on electronic payments.
- Sec. 2006. Identity protection personal identification numbers.
- Sec. 2007. Single point of contact for tax-related identity theft victims.
- Sec. 2008. Notification of suspected identity theft.
- Sec. 2009. Guidelines for stolen identity refund fraud cases.
- Sec. 2010. Increased penalty for improper disclosure or use of information by preparers of returns.

Subtitle B—Development of Information Technology

- Sec. 2101. Management of Internal Revenue Service information technology.
- Sec. 2102. Development of online accounts and portals.
- Sec. 2103. Internet platform for Form 1099 filings.
- Sec. 2104. Streamlined critical pay authority for information technology positions.

Subtitle C—Modernization of Consent-based Income Verification System

- Sec. 2201. Disclosure of taxpayer information for third-party income verification.
- Sec. 2202. Limit redisclosures and uses of consent-based disclosures of tax return information.

Subtitle D—Expanded Use of Electronic Systems

- Sec. 2301. Electronic filing of returns.
- Sec. 2302. Uniform standards for the use of electronic signatures for disclosure authorizations to, and other authorizations of, practitioners.
- Sec. 2303. Payment of taxes by debit and credit cards.
- Sec. 2304. Requirement that electronically prepared paper returns include scannable code.
- Sec. 2305. Authentication of users of electronic services accounts.

Subtitle E—Other Provisions

- Sec. 2401. Repeal of provision regarding certain tax compliance procedures and reports.
- Sec. 2402. Comprehensive training strategy.

TITLE III—MISCELLANEOUS PROVISIONS

Subtitle A—Reform of Laws Governing Internal Revenue Service Employees

- Sec. 3001. Electronic record retention.
- Sec. 3002. Prohibition on rehiring any employee of the Internal Revenue Service who was involuntarily separated from service for misconduct.
- Sec. 3003. Notification of unauthorized inspection or disclosure of returns and return information.

Subtitle B—Provisions Relating to Exempt Organizations

- Sec. 3101. Mandatory e-filing by exempt organizations.
- Sec. 3102. Notice required before revocation of tax exempt status for failure to file return.

Subtitle C—Tax Court

- Sec. 3301. Disqualification of judge or magistrate judge of the Tax Court.
- Sec. 3302. Opinions and judgments.
- Sec. 3303. Title of special trial judge changed to magistrate judge of the Tax Court.
- Sec. 3304. Repeal of deadwood related to Board of Tax Appeals.

1 **TITLE I—PUTTING TAXPAYERS**
2 **FIRST**
3 **Subtitle A—Independent Appeals**
4 **Process**

5 **SEC. 1001. ESTABLISHMENT OF INTERNAL REVENUE SERV-**
6 **ICE INDEPENDENT OFFICE OF APPEALS.**

7 (a) IN GENERAL.—Section 7803 is amended by add-
8 ing at the end the following new subsection:

1 “(e) INDEPENDENT OFFICE OF APPEALS.—

2 “(1) ESTABLISHMENT.—There is established in
3 the Internal Revenue Service an office to be known
4 as the ‘Internal Revenue Service Independent Office
5 of Appeals’.

6 “(2) CHIEF OF APPEALS.—

7 “(A) IN GENERAL.—The Internal Revenue
8 Service Independent Office of Appeals shall be
9 under the supervision and direction of an offi-
10 cial to be known as the ‘Chief of Appeals’. The
11 Chief of Appeals shall report directly to the
12 Commissioner of the Internal Revenue Service
13 and shall be entitled to compensation at the
14 same rate as the highest rate of basic pay es-
15 tablished for the Senior Executive Service under
16 section 5382 of title 5, United States Code.

17 “(B) APPOINTMENT.—The Chief of Ap-
18 peals shall be appointed by the Commissioner of
19 the Internal Revenue Service without regard to
20 the provisions of title 5, United States Code, re-
21 lating to appointments in the competitive serv-
22 ice or the Senior Executive Service.

23 “(C) QUALIFICATIONS.—An individual ap-
24 pointed under subparagraph (B) shall have ex-
25 perience and expertise in—

1 “(i) administration of, and compliance
2 with, Federal tax laws,

3 “(ii) a broad range of compliance
4 cases, and

5 “(iii) management of large service or-
6 ganizations.

7 “(3) PURPOSES AND DUTIES OF OFFICE.—It
8 shall be the function of the Internal Revenue Service
9 Independent Office of Appeals to resolve Federal tax
10 controversies without litigation on a basis which—

11 “(A) is fair and impartial to both the Gov-
12 ernment and the taxpayer,

13 “(B) promotes a consistent application and
14 interpretation of, and voluntary compliance
15 with, the Federal tax laws, and

16 “(C) enhances public confidence in the in-
17 tegrity and efficiency of the Internal Revenue
18 Service.

19 “(4) RIGHT OF APPEAL.—The resolution proc-
20 ess described in paragraph (3) shall be generally
21 available to all taxpayers.

22 “(5) LIMITATION ON DESIGNATION OF CASES
23 AS NOT ELIGIBLE FOR REFERRAL TO INDEPENDENT
24 OFFICE OF APPEALS.—

1 “(A) IN GENERAL.—If any taxpayer which
2 is in receipt of a notice of deficiency authorized
3 under section 6212 requests referral to the In-
4 ternal Revenue Service Independent Office of
5 Appeals and such request is denied, the Com-
6 missioner of the Internal Revenue Service shall
7 provide such taxpayer a written notice which—

8 “(i) provides a detailed description of
9 the facts involved, the basis for the deci-
10 sion to deny the request, and a detailed ex-
11 planation of how the basis of such decision
12 applies to such facts, and

13 “(ii) describes the procedures pre-
14 scribed under subparagraph (C) for pro-
15 testing the decision to deny the request.

16 “(B) REPORT TO CONGRESS.—The Com-
17 missioner of the Internal Revenue Service shall
18 submit a written report to Congress on an an-
19 nual basis which includes the number of re-
20 quests described in subparagraph (A) which
21 were denied and the reasons (described by cat-
22 egory) that such requests were denied.

23 “(C) PROCEDURES FOR PROTESTING DE-
24 NIAL OF REQUEST.—The Commissioner of the
25 Internal Revenue Service shall prescribe proce-

1 dures for protesting to the Commissioner of the
2 Internal Revenue Service a denial of a request
3 described in subparagraph (A).

4 “(D) NOT APPLICABLE TO FRIVOLOUS PO-
5 SITIONS.—This paragraph shall not apply to a
6 request for referral to the Internal Revenue
7 Service Independent Office of Appeals which is
8 denied on the basis that the issue involved is a
9 frivolous position (within the meaning of section
10 6702(c)).

11 “(6) STAFF.—

12 “(A) IN GENERAL.—All personnel in the
13 Internal Revenue Service Independent Office of
14 Appeals shall report to the Chief of Appeals.

15 “(B) ACCESS TO STAFF OF OFFICE OF
16 THE CHIEF COUNSEL.—The Chief of Appeals
17 shall have authority to obtain legal assistance
18 and advice from the staff of the Office of the
19 Chief Counsel. The Chief Counsel shall ensure
20 that such assistance and advice is provided by
21 staff of the Office of the Chief Counsel who
22 were not involved in the case with respect to
23 which such assistance and advice is sought and
24 who are not involved in preparing such case for
25 litigation.

1 “(7) ACCESS TO CASE FILES.—

2 “(A) IN GENERAL.—In any case in which
3 a conference with the Internal Revenue Service
4 Independent Office of Appeals has been sched-
5 uled upon request of a specified taxpayer, the
6 Chief of Appeals shall ensure that such tax-
7 payer is provided access to the nonprivileged
8 portions of the case file on record regarding the
9 disputed issues (other than documents provided
10 by the taxpayer to the Internal Revenue Serv-
11 ice) not later than 10 days before the date of
12 such conference.

13 “(B) TAXPAYER ELECTION TO EXPEDITE
14 CONFERENCE.—If the taxpayer so elects, sub-
15 paragraph (A) shall be applied by substituting
16 ‘the date of such conference’ for ‘10 days before
17 the date of such conference’.

18 “(C) SPECIFIED TAXPAYER.—For pur-
19 poses of this paragraph—

20 “(i) IN GENERAL.—The term ‘speci-
21 fied taxpayer’ means—

22 “(I) in the case of any taxpayer
23 who is a natural person, a taxpayer
24 whose adjusted gross income does not

1 exceed \$400,000 for the taxable year
2 to which the dispute relates, and

3 “(II) in the case of any other
4 taxpayer, a taxpayer whose gross re-
5 ceipts do not exceed \$5,000,000 for
6 the taxable year to which the dispute
7 relates.

8 “(ii) AGGREGATION RULE.—Rules
9 similar to the rules of section 448(c)(2)
10 shall apply for purposes of clause (i)(II).”.

11 (b) CONFORMING AMENDMENTS.—

12 (1) The following provisions are each amended
13 by striking “Internal Revenue Service Office of Ap-
14 peals” and inserting “Internal Revenue Service
15 Independent Office of Appeals”:

16 (A) Section 6015(c)(4)(B)(ii)(I).

17 (B) Section 6320(b)(1).

18 (C) Subsections (b)(1) and (d)(3) of sec-
19 tion 6330.

20 (D) Section 6603(d)(3)(B).

21 (E) Section 6621(c)(2)(A)(i).

22 (F) Section 7122(e)(2).

23 (G) Subsections (a), (b)(1), (b)(2), and
24 (c)(1) of section 7123.

1 (H) Subsections (c)(7)(B)(i), and (g)(2)(A)
2 of section 7430.

3 (I) Section 7522(b)(3).

4 (J) Section 7612(c)(2)(A).

5 (2) Section 7430(c)(2) is amended by striking
6 “Internal Revenue Service Office of Appeals” each
7 place it appears and inserting “Internal Revenue
8 Service Independent Office of Appeals”.

9 (3) The heading of section 6330(d)(3) is
10 amended by inserting “INDEPENDENT” after “IRS”.

11 (c) OTHER REFERENCES.—Any reference in any pro-
12 vision of law, or regulation or other guidance, to the Inter-
13 nal Revenue Service Office of Appeals shall be treated as
14 a reference to the Internal Revenue Service Independent
15 Office of Appeals.

16 (d) SAVINGS PROVISIONS.—Rules similar to the rules
17 of paragraphs (2) through (6) of section 1001(b) of the
18 Internal Revenue Service Restructuring and Reform Act
19 of 1998 shall apply for purposes of this section (and the
20 amendments made by this section).

21 (e) EFFECTIVE DATE.—

22 (1) IN GENERAL.—Except as otherwise pro-
23 vided in this subsection, the amendments made by
24 this section shall take effect on the date of the en-
25 actment of this Act.

1 (2) ACCESS TO CASE FILES.—Section
2 7803(e)(7) of the Internal Revenue Code of 1986, as
3 added by subsection (a), shall apply to conferences
4 occurring after the date which is 1 year after the
5 date of the enactment of this Act.

6 **Subtitle B—Improved Service**

7 **SEC. 1101. COMPREHENSIVE CUSTOMER SERVICE STRAT-** 8 **EGY.**

9 (a) IN GENERAL.—Not later than the date which is
10 1 year after the date of the enactment of this Act, the
11 Secretary of the Treasury shall submit to Congress a writ-
12 ten comprehensive customer service strategy for the Inter-
13 nal Revenue Service. Such strategy shall include—

14 (1) a plan to provide assistance to taxpayers
15 that is secure, designed to meet reasonable taxpayer
16 expectations, and adopts appropriate best practices
17 of customer service provided in the private sector,
18 including online services, telephone call back serv-
19 ices, and training of employees providing customer
20 services,

21 (2) a thorough assessment of the services that
22 the Internal Revenue Service can co-locate with
23 other Federal services or offer as self-service op-
24 tions,

1 (3) proposals to improve Internal Revenue Serv-
2 ice customer service in the short term (the current
3 and following fiscal year), medium term (approx-
4 imately 3 to 5 fiscal years), and long term (approx-
5 imately 10 fiscal years),

6 (4) a plan to update guidance and training ma-
7 terials for customer service employees of the Internal
8 Revenue Service, including the Internal Revenue
9 Manual, to reflect such strategy, and

10 (5) identified metrics and benchmarks for quan-
11 titatively measuring the progress of the Internal
12 Revenue Service in implementing such strategy.

13 (b) **UPDATED GUIDANCE AND TRAINING MATE-**
14 **RIALS.**—Not later than 2 years after the date of the enact-
15 ment of this Act, the Secretary of the Treasury (or the
16 Secretary’s delegate) shall make available the updated
17 guidance and training materials described in subsection
18 (a)(4) (including the Internal Revenue Manual). Such up-
19 dated guidance and training materials (including the In-
20 ternal Revenue Manual) shall be written in a manner so
21 as to be easily understood by customer service employees
22 of the Internal Revenue Service and shall provide clear
23 instructions.

24 **SEC. 1102. IRS FREE FILE PROGRAM.**

25 (a) **IN GENERAL.**—

1 (1) The Secretary of the Treasury, or the Sec-
2 retary's delegate, shall continue to operate the IRS
3 Free File Program as established by the Internal
4 Revenue Service and published in the Federal Reg-
5 ister on November 4, 2002 (67 Fed. Reg. 67247),
6 including any subsequent agreements and governing
7 rules established pursuant thereto.

8 (2) The IRS Free File Program shall continue
9 to provide free commercial-type online individual in-
10 come tax preparation and electronic filing services to
11 the lowest 70 percent of taxpayers by adjusted gross
12 income. The number of taxpayers eligible to receive
13 such services each year shall be calculated by the In-
14 ternal Revenue Service annually based on prior year
15 aggregate taxpayer adjusted gross income data.

16 (3) In addition to the services described in
17 paragraph (2), and in the same manner, the IRS
18 Free File Program shall continue to make available
19 to all taxpayers (without regard to income) a basic,
20 online electronic fillable forms utility.

21 (4) The IRS Free File Program shall continue
22 to work cooperatively with the private sector to pro-
23 vide the free individual income tax preparation and
24 the electronic filing services described in paragraphs
25 (2) and (3).

1 (5) The IRS Free File Program shall work co-
2 operatively with State government agencies to en-
3 hance and expand the use of the program to provide
4 needed benefits to the taxpayer while reducing the
5 cost of processing returns.

6 (b) INNOVATIONS.—The Secretary of the Treasury,
7 or the Secretary’s delegate, shall work with the private
8 sector through the IRS Free File Program to identify and
9 implement, consistent with applicable law, innovative new
10 program features to improve and simplify the taxpayer’s
11 experience with completing and filing individual income
12 tax returns through voluntary compliance.

13 **SEC. 1103. LOW-INCOME EXCEPTION FOR PAYMENTS OTH-**
14 **ERWISE REQUIRED IN CONNECTION WITH A**
15 **SUBMISSION OF AN OFFER-IN-COMPROMISE.**

16 (a) IN GENERAL.—Section 7122(e) is amended by
17 adding at the end the following new paragraph:

18 “(3) EXCEPTION FOR LOW-INCOME TAX-
19 PAYERS.—Paragraph (1), and any user fee otherwise
20 required in connection with the submission of an
21 offer-in-compromise, shall not apply to any offer-in-
22 compromise with respect to a taxpayer who is an in-
23 dividual with adjusted gross income, as determined
24 for the most recent taxable year for which such in-
25 formation is available, which does not exceed 250

1 percent of the applicable poverty level (as deter-
2 mined by the Secretary).”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 this section shall apply to offers-in-compromise submitted
5 after the date of the enactment of this Act.

6 **Subtitle C—Sensible Enforcement**

7 **SEC. 1201. INTERNAL REVENUE SERVICE SEIZURE RE-** 8 **QUIREMENTS WITH RESPECT TO STRUC-** 9 **TURING TRANSACTIONS.**

10 Section 5317(c)(2) of title 31, United States Code,
11 is amended—

12 (1) by striking “Any property” and inserting
13 the following:

14 “(A) IN GENERAL.—Any property”; and

15 (2) by adding at the end the following:

16 “(B) INTERNAL REVENUE SERVICE SEI-
17 ZURE REQUIREMENTS WITH RESPECT TO
18 STRUCTURING TRANSACTIONS.—

19 “(i) PROPERTY DERIVED FROM AN IL-
20 LEGAL SOURCE.—Property may only be
21 seized by the Internal Revenue Service
22 pursuant to subparagraph (A) by reason of
23 a claimed violation of section 5324 if the
24 property to be seized was derived from an
25 illegal source or the funds were structured

1 for the purpose of concealing the violation
2 of a criminal law or regulation other than
3 section 5324.

4 “(ii) NOTICE.—Not later than 30
5 days after property is seized by the Inter-
6 nal Revenue Service pursuant to subpara-
7 graph (A), the Internal Revenue Service
8 shall—

9 “(I) make a good faith effort to
10 find all persons with an ownership in-
11 terest in such property; and

12 “(II) provide each such person so
13 found with a notice of the seizure and
14 of the person’s rights under clause
15 (iv).

16 “(iii) EXTENSION OF NOTICE UNDER
17 CERTAIN CIRCUMSTANCES.—The Internal
18 Revenue Service may apply to a court of
19 competent jurisdiction for one 30-day ex-
20 tension of the notice requirement under
21 clause (ii) if the Internal Revenue Service
22 can establish probable cause of an immi-
23 nent threat to national security or personal
24 safety necessitating such extension.

1 “(iv) POST-SEIZURE HEARING.—If a
2 person with an ownership interest in prop-
3 erty seized pursuant to subparagraph (A)
4 by the Internal Revenue Service requests a
5 hearing by a court of competent jurisdic-
6 tion within 30 days after the date on which
7 notice is provided under subclause (ii),
8 such property shall be returned unless the
9 court holds an adversarial hearing and
10 finds within 30 days of such request (or
11 such longer period as the court may pro-
12 vide, but only on request of an interested
13 party) that there is probable cause to be-
14 lieve that there is a violation of section
15 5324 involving such property and probable
16 cause to believe that the property to be
17 seized was derived from an illegal source or
18 the funds were structured for the purpose
19 of concealing the violation of a criminal
20 law or regulation other than section
21 5324.”.

1 **SEC. 1202. EXCLUSION OF INTEREST RECEIVED IN ACTION**
2 **TO RECOVER PROPERTY SEIZED BY THE IN-**
3 **TERNAL REVENUE SERVICE BASED ON**
4 **STRUCTURING TRANSACTION.**

5 (a) IN GENERAL.—Part III of subchapter B of chap-
6 ter 1 is amended by inserting before section 140 the fol-
7 lowing new section:

8 **“SEC. 139H. INTEREST RECEIVED IN ACTION TO RECOVER**
9 **PROPERTY SEIZED BY THE INTERNAL REV-**
10 **ENUE SERVICE BASED ON STRUCTURING**
11 **TRANSACTION.**

12 “Gross income shall not include any interest received
13 from the Federal Government in connection with an action
14 to recover property seized by the Internal Revenue Service
15 pursuant to section 5317(c)(2) of title 31, United States
16 Code, by reason of a claimed violation of section 5324 of
17 such title.”.

18 (b) CLERICAL AMENDMENT.—The table of sections
19 for part III of subchapter B of chapter 1 is amended by
20 inserting before the item relating to section 140 the fol-
21 lowing new item:

“Sec. 139H. Interest received in action to recover property seized by the Inter-
nal Revenue Service based on structuring transaction.”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to interest received on or after the
24 date of the enactment of this Act.

1 **SEC. 1203. CLARIFICATION OF EQUITABLE RELIEF FROM**
2 **JOINT LIABILITY.**

3 (a) IN GENERAL.—Section 6015 is amended—

4 (1) in subsection (e), by adding at the end the
5 following new paragraph:

6 “(7) STANDARD AND SCOPE OF REVIEW.—Any
7 review of a determination made under this section
8 shall be reviewed de novo by the Tax Court and shall
9 be based upon—

10 “(A) the administrative record established
11 at the time of the determination, and

12 “(B) any additional newly discovered or
13 previously unavailable evidence.”, and

14 (2) by amending subsection (f) to read as fol-
15 lows:

16 “(f) EQUITABLE RELIEF.—

17 “(1) IN GENERAL.—Under procedures pre-
18 scribed by the Secretary, if—

19 “(A) taking into account all the facts and
20 circumstances, it is inequitable to hold the indi-
21 vidual liable for any unpaid tax or any defi-
22 ciency (or any portion of either), and

23 “(B) relief is not available to such indi-
24 vidual under subsection (b) or (c),

25 the Secretary may relieve such individual of such li-
26 ability.

1 law which have been identified for purposes of such para-
2 graph.”.

3 (b) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to summonses served after the date
5 of the enactment of this Act.

6 **SEC. 1205. PRIVATE DEBT COLLECTION AND SPECIAL COM-**
7 **PLIANCE PERSONNEL PROGRAM.**

8 (a) **CERTAIN TAX RECEIVABLES NOT ELIGIBLE FOR**
9 **COLLECTION UNDER TAX COLLECTION CONTRACTS.**—
10 Section 6306(d)(3) is amended by striking “or” at the end
11 of subparagraph (C) and by inserting after subparagraph
12 (D) the following new subparagraphs:

13 “(E) a taxpayer substantially all of whose
14 income consists of disability insurance benefits
15 under section 223 of the Social Security Act or
16 supplemental security income benefits under
17 title XVI of the Social Security Act (including
18 supplemental security income benefits of the
19 type described in section 1616 of such Act or
20 section 212 of Public Law 93-66), or

21 “(F) a taxpayer who is an individual with
22 adjusted gross income, as determined for the
23 most recent taxable year for which such infor-
24 mation is available, which does not exceed 200

1 percent of the applicable poverty level (as deter-
2 mined by the Secretary),”.

3 (b) DETERMINATION OF INACTIVE TAX RECEIV-
4 ABLES ELIGIBLE FOR COLLECTION UNDER TAX COLLEC-
5 TION CONTRACTS.—Section 6306(c)(2)(A)(ii) is amended
6 by striking “more than $\frac{1}{3}$ of the period of the applicable
7 statute of limitation has lapsed” and inserting “more than
8 2 years has passed since assessment”.

9 (c) MAXIMUM LENGTH OF INSTALLMENT AGREE-
10 MENTS OFFERED UNDER TAX COLLECTION CON-
11 TRACTS.—Section 6306(b)(1)(B) is amended by striking
12 “5 years” and inserting “7 years”.

13 (d) CLARIFICATION THAT SPECIAL COMPLIANCE
14 PERSONNEL PROGRAM ACCOUNT MAY BE USED FOR
15 PROGRAM COSTS.—

16 (1) IN GENERAL.—Section 6307(b) is amend-
17 ed—

18 (A) in paragraph (2), by striking all that
19 follows “under such program” and inserting a
20 period, and

21 (B) in paragraph (3), by striking all that
22 follows “out of such account” and inserting
23 “for other than program costs”.

24 (2) COMMUNICATIONS, SOFTWARE, AND TECH-
25 NOLOGY COSTS TREATED AS PROGRAM COSTS.—Sec-

1 tion 6307(d)(2)(B) is amended by striking “tele-
2 communications” and inserting “communications,
3 software, technology”.

4 (3) CONFORMING AMENDMENT.—Section
5 6307(d)(2) is amended by striking “and” at the end
6 of subparagraph (A), by striking the period at the
7 end of subparagraph (B) and inserting “, and”, and
8 by inserting after subparagraph (B) the following
9 new subparagraph:

10 “(C) reimbursement of the Internal Rev-
11 enue Service or other government agencies for
12 the cost of administering qualified tax collection
13 contracts under section 6306.”.

14 (e) EFFECTIVE DATES.—

15 (1) IN GENERAL.—Except as otherwise pro-
16 vided in this subsection, the amendments made by
17 this section shall apply to tax receivables identified
18 by the Secretary (or the Secretary’s delegate) after
19 December 31, 2019.

20 (2) MAXIMUM LENGTH OF INSTALLMENT
21 AGREEMENTS.—The amendment made by subsection
22 (c) shall apply to contracts entered into after the
23 date of the enactment of this Act.

24 (3) USE OF SPECIAL COMPLIANCE PERSONNEL
25 PROGRAM ACCOUNT.—The amendment made by sub-

1 section (d) shall apply to amounts expended from
2 the special compliance personnel program account
3 after the date of the enactment of this Act.

4 **SEC. 1206. REFORM OF NOTICE OF CONTACT OF THIRD**
5 **PARTIES.**

6 (a) IN GENERAL.—Section 7602(c)(1) is amended to
7 read as follows:

8 “(1) GENERAL NOTICE.—An officer or em-
9 ployee of the Internal Revenue Service may not con-
10 tact any person other than the taxpayer with respect
11 to the determination or collection of the tax liability
12 of such taxpayer unless such contact occurs during
13 a period (not greater than 1 year) which is specified
14 in a notice which—

15 “(A) informs the taxpayer that contacts
16 with persons other than the taxpayer are in-
17 tended to be made during such period, and

18 “(B) except as otherwise provided by the
19 Secretary, is provided to the taxpayer not later
20 than 45 days before the beginning of such pe-
21 riod.

22 Nothing in the preceding sentence shall prevent the
23 issuance of notices to the same taxpayer with respect
24 to the same tax liability with periods specified there-
25 in that, in the aggregate, exceed 1 year. A notice

1 shall not be issued under this paragraph unless
2 there is an intent at the time such notice is issued
3 to contact persons other than the taxpayer during
4 the period specified in such notice. The preceding
5 sentence shall not prevent the issuance of a notice
6 if the requirement of such sentence is met on the
7 basis of the assumption that the information sought
8 to be obtained by such contact will not be obtained
9 by other means before such contact.”.

10 (b) EFFECTIVE DATE.—The amendment made by
11 this section shall apply to notices provided, and contacts
12 of persons made, after the date which is 45 days after
13 the date of the enactment of this Act.

14 **SEC. 1207. MODIFICATION OF AUTHORITY TO ISSUE DES-**
15 **IGNATED SUMMONS.**

16 (a) IN GENERAL.—Paragraph (1) of section 6503(j)
17 is amended by striking “coordinated examination pro-
18 gram” and inserting “coordinated industry case pro-
19 gram”.

20 (b) REQUIREMENTS FOR SUMMONS.—Clause (i) of
21 section 6503(j)(2)(A) is amended to read as follows:

22 “(i) the issuance of such summons is
23 preceded by a review and written approval
24 of such issuance by the Commissioner of
25 the relevant operating division of the Inter-

1 nal Revenue Service and the Chief Counsel
2 which—

3 “(I) states facts clearly estab-
4 lishing that the Secretary has made
5 reasonable requests for the informa-
6 tion that is the subject of the sum-
7 mons, and

8 “(II) is attached to such sum-
9 mons,”.

10 (c) **ESTABLISHMENT THAT REASONABLE REQUESTS**
11 **FOR INFORMATION WERE MADE.**—Subsection (j) of sec-
12 tion 6503 is amended by adding at the end the following
13 new paragraph:

14 “(4) **ESTABLISHMENT THAT REASONABLE RE-**
15 **QUESTS FOR INFORMATION WERE MADE.**—In any
16 court proceeding described in paragraph (3), the
17 Secretary shall establish that reasonable requests
18 were made for the information that is the subject of
19 the summons.”.

20 (d) **EFFECTIVE DATE.**—The amendments made by
21 this section shall apply to summonses issued after the date
22 of the enactment of this Act.

1 **SEC. 1208. LIMITATION ON ACCESS OF NON-INTERNAL REV-**
2 **ENUE SERVICE EMPLOYEES TO RETURNS**
3 **AND RETURN INFORMATION.**

4 (a) IN GENERAL.—Section 7602 is amended by add-
5 ing at the end the following new subsection:

6 “(f) LIMITATION ON ACCESS OF PERSONS OTHER
7 THAN INTERNAL REVENUE SERVICE OFFICERS AND EM-
8 PLOYEES.—The Secretary shall not, under the authority
9 of section 6103(n), provide any books, papers, records, or
10 other data obtained pursuant to this section to any person
11 authorized under section 6103(n), except when such per-
12 son requires such information for the sole purpose of pro-
13 viding expert evaluation and assistance to the Internal
14 Revenue Service. No person other than an officer or em-
15 ployee of the Internal Revenue Service or the Office of
16 Chief Counsel may, on behalf of the Secretary, question
17 a witness under oath whose testimony was obtained pursu-
18 ant to this section.”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 this section—

21 (1) shall take effect on the date of the enact-
22 ment of this Act, and

23 (2) shall not fail to apply to a contract in effect
24 under section 6103(n) of the Internal Revenue Code
25 of 1986 merely because such contract was in effect
26 before the date of the enactment of this Act.

1 **Subtitle D—Organizational**
2 **Modernization**

3 **SEC. 1301. OFFICE OF THE NATIONAL TAXPAYER ADVOCATE.**
4 **CATE.**

5 (a) TAXPAYER ADVOCATE DIRECTIVES.—

6 (1) IN GENERAL.—Section 7803(c) is amended
7 by adding at the end the following new paragraph:

8 “(5) TAXPAYER ADVOCATE DIRECTIVES.—In
9 the case of any Taxpayer Advocate Directive issued
10 by the National Taxpayer Advocate pursuant to a
11 delegation of authority from the Commissioner of
12 the Internal Revenue Service—

13 “(A) the Commissioner or a Deputy Com-
14 missioner shall modify, rescind, or ensure com-
15 pliance with such directive not later than 90
16 days after the issuance of such directive, and

17 “(B) in the case of any directive which is
18 modified or rescinded by a Deputy Commis-
19 sioner, the National Taxpayer Advocate may
20 (not later than 90 days after such modification
21 or rescission) appeal to the Commissioner and
22 the Commissioner shall (not later than 90 days
23 after such appeal is made) ensure compliance
24 with such directive as issued by the National
25 Taxpayer Advocate or provide the National

1 Taxpayer Advocate with a detailed description
2 of the reasons for any modification or rescission
3 made or upheld by the Commissioner pursuant
4 to such appeal.”.

5 (2) REPORT TO CERTAIN COMMITTEES OF CON-
6 GRESS REGARDING DIRECTIVES.—Section
7 7803(c)(2)(B)(ii) is amended by redesignating sub-
8 clauses (VIII) through (XI) as subclauses (IX)
9 through (XII), respectively, and by inserting after
10 subclause (VII) the following new subclause:

11 “(VIII) identify any Taxpayer
12 Advocate Directive which was not
13 honored by the Internal Revenue
14 Service in a timely manner, as speci-
15 fied under paragraph (5);”.

16 (b) NATIONAL TAXPAYER ADVOCATE ANNUAL RE-
17 PORTS TO CONGRESS.—

18 (1) INCLUSION OF MOST SERIOUS TAXPAYER
19 PROBLEMS.—Section 7803(c)(2)(B)(ii)(III) is
20 amended by striking “at least 20 of the” and insert-
21 ing “the 10”.

22 (2) COORDINATION WITH TREASURY INSPECTOR
23 GENERAL FOR TAX ADMINISTRATION.—Section
24 7803(c)(2) is amended by adding at the end the fol-
25 lowing new subparagraph:

1 “(E) COORDINATION WITH TREASURY IN-
2 SPECTOR GENERAL FOR TAX ADMINISTRA-
3 TION.—Before beginning any research or study,
4 the National Taxpayer Advocate shall coordi-
5 nate with the Treasury Inspector General for
6 Tax Administration to ensure that the National
7 Taxpayer Advocate does not duplicate any ac-
8 tion that the Treasury Inspector General for
9 Tax Administration has already undertaken or
10 has a plan to undertake.”.

11 (3) STATISTICAL SUPPORT.—

12 (A) IN GENERAL.—Section 6108 is amend-
13 ed by adding at the end the following new sub-
14 section:

15 “(d) STATISTICAL SUPPORT FOR NATIONAL TAX-
16 PAYER ADVOCATE.—The Secretary shall, upon request of
17 the National Taxpayer Advocate, provide the National
18 Taxpayer Advocate with statistical support in connection
19 with the preparation by the National Taxpayer Advocate
20 of the annual report described in section
21 7803(c)(2)(B)(ii). Such statistical support shall include
22 statistical studies, compilations, and the review of infor-
23 mation provided by the National Taxpayer Advocate for
24 statistical validity and sound statistical methodology.”.

1 (B) DISCLOSURE OF REVIEW.—Section
2 7803(c)(2)(B)(ii), as amended by subsection
3 (a), is amended by redesignating subclause
4 (XII) as subclause (XIII) and by inserting after
5 subclause (XI) the following new subclause:

6 “(XII) with respect to any statis-
7 tical information included in such re-
8 port, include a statement of whether
9 such statistical information was re-
10 viewed or provided by the Secretary
11 under section 6108(d) and, if so,
12 whether the Secretary determined
13 such information to be statistically
14 valid and based on sound statistical
15 methodology.”.

16 (C) CONFORMING AMENDMENT.—Section
17 7803(c)(2)(B)(iii) is amended by adding at the
18 end the following: “The preceding sentence
19 shall not apply with respect to statistical infor-
20 mation provided to the Secretary for review, or
21 received from the Secretary, under section
22 6108(d).”.

23 (c) SALARY OF NATIONAL TAXPAYER ADVOCATE.—
24 Section 7803(c)(1)(B)(i) is amended by striking “, or, if

1 the Secretary of the Treasury so determines, at a rate
2 fixed under section 9503 of such title”.

3 (d) EFFECTIVE DATE.—

4 (1) IN GENERAL.—Except as otherwise pro-
5 vided in this subsection, the amendments made by
6 this section shall take effect on the date of the en-
7 actment of this Act.

8 (2) SALARY OF NATIONAL TAXPAYER ADVO-
9 CATE.—The amendment made by subsection (c)
10 shall apply to compensation paid to individuals ap-
11 pointed as the National Taxpayer Advocate after the
12 date of the enactment of this Act.

13 **SEC. 1302. MODERNIZATION OF INTERNAL REVENUE SERV-**
14 **ICE ORGANIZATIONAL STRUCTURE.**

15 (a) IN GENERAL.—Not later than September 30,
16 2020, the Commissioner of the Internal Revenue Service
17 shall submit to Congress a comprehensive written plan to
18 redesign the organization of the Internal Revenue Service.

19 Such plan shall—

20 (1) ensure the successful implementation of the
21 priorities specified by Congress in this Act,

22 (2) prioritize taxpayer services to ensure that
23 all taxpayers easily and readily receive the assistance
24 that they need,

1 (3) streamline the structure of the agency in-
2 cluding minimizing the duplication of services and
3 responsibilities within the agency,

4 (4) best position the Internal Revenue Service
5 to combat cybersecurity and other threats to the In-
6 ternal Revenue Service, and

7 (5) address whether the Criminal Investigation
8 Division of the Internal Revenue Service should re-
9 port directly to the Commissioner.

10 (b) REPEAL OF RESTRICTION ON ORGANIZATIONAL
11 STRUCTURE OF INTERNAL REVENUE SERVICE.—Para-
12 graph (3) of section 1001(a) of the Internal Revenue Serv-
13 ice Restructuring and Reform Act of 1998 shall cease to
14 apply beginning 1 year after the date on which the Com-
15 missioner of the Internal Revenue Service submits to Con-
16 gress the plan described in subsection (a).

17 **Subtitle E—Other Provisions**

18 **SEC. 1401. RETURN PREPARATION PROGRAMS FOR APPLI-** 19 **CABLE TAXPAYERS.**

20 (a) IN GENERAL.—Chapter 77 is amended by insert-
21 ing after section 7526 the following new section:

22 **“SEC. 7526A. RETURN PREPARATION PROGRAMS FOR AP-** 23 **PLICABLE TAXPAYERS.**

24 “(a) ESTABLISHMENT OF VOLUNTEER INCOME TAX
25 ASSISTANCE MATCHING GRANT PROGRAM.—The Sec-

1 retary shall establish a Community Volunteer Income Tax
2 Assistance Matching Grant Program under which the Sec-
3 retary may, subject to the availability of appropriated
4 funds, make grants to provide matching funds for the de-
5 velopment, expansion, or continuation of qualified return
6 preparation programs assisting applicable taxpayers and
7 members of underserved populations.

8 “(b) USE OF FUNDS.—

9 “(1) IN GENERAL.—Qualified return prepara-
10 tion programs may use grants received under this
11 section for—

12 “(A) ordinary and necessary costs associ-
13 ated with program operation in accordance with
14 cost principles under the applicable Office of
15 Management and Budget circular, including—

16 “(i) wages or salaries of persons co-
17 ordinating the activities of the program,

18 “(ii) developing training materials,
19 conducting training, and performing qual-
20 ity reviews of the returns prepared under
21 the program,

22 “(iii) equipment purchases, and

23 “(iv) vehicle-related expenses associ-
24 ated with remote or rural tax preparation
25 services,

1 “(B) outreach and educational activities
2 described in subsection (c)(2)(B), and

3 “(C) services related to financial education
4 and capability, asset development, and the es-
5 tablishment of savings accounts in connection
6 with tax return preparation.

7 “(2) REQUIREMENT OF MATCHING FUNDS.—A
8 qualified return preparation program must provide
9 matching funds on a dollar-for-dollar basis for all
10 grants provided under this section. Matching funds
11 may include—

12 “(A) the salary (including fringe benefits)
13 of individuals performing services for the pro-
14 gram,

15 “(B) the cost of equipment used in the
16 program, and

17 “(C) other ordinary and necessary costs
18 associated with the program.

19 Indirect expenses, including general overhead of any
20 entity administering the program, shall not be
21 counted as matching funds.

22 “(c) APPLICATION.—

23 “(1) IN GENERAL.—Each applicant for a grant
24 under this section shall submit an application to the
25 Secretary at such time, in such manner, and con-

1 taining such information as the Secretary may rea-
2 sonably require.

3 “(2) PRIORITY.—In awarding grants under this
4 section, the Secretary shall give priority to applica-
5 tions which demonstrate—

6 “(A) assistance to applicable taxpayers,
7 with emphasis on outreach to, and services for,
8 such taxpayers,

9 “(B) taxpayer outreach and educational
10 activities relating to eligibility and availability
11 of income supports available through this title,
12 including the earned income tax credit, and

13 “(C) specific outreach and focus on one or
14 more underserved populations.

15 “(3) AMOUNTS TAKEN INTO ACCOUNT.—In de-
16 termining matching grants under this section, the
17 Secretary shall only take into account amounts pro-
18 vided by the qualified return preparation program
19 for expenses described in subsection (b).

20 “(d) PROGRAM ADHERENCE.—

21 “(1) IN GENERAL.—The Secretary shall estab-
22 lish procedures for, and shall conduct not less fre-
23 quently than once every 5 calendar years during
24 which a qualified return preparation program is op-

1 erating under a grant under this section, periodic
2 site visits—

3 “(A) to ensure the program is carrying out
4 the purposes of this section, and

5 “(B) to determine whether the program
6 meets such program adherence standards as the
7 Secretary shall by regulation or other guidance
8 prescribe.

9 “(2) ADDITIONAL REQUIREMENTS FOR GRANT
10 RECIPIENTS NOT MEETING PROGRAM ADHERENCE
11 STANDARDS.—In the case of any qualified return
12 preparation program which—

13 “(A) is awarded a grant under this section,
14 and

15 “(B) is subsequently determined—

16 “(i) not to meet the program adher-
17 ence standards described in paragraph
18 (1)(B), or

19 “(ii) not to be otherwise carrying out
20 the purposes of this section,

21 such program shall not be eligible for any additional
22 grants under this section unless such program pro-
23 vides sufficient documentation of corrective meas-
24 ures established to address any such deficiencies de-
25 termined.

1 “(e) DEFINITIONS.—For purposes of this section—

2 “(1) QUALIFIED RETURN PREPARATION PRO-
3 GRAM.—The term ‘qualified return preparation pro-
4 gram’ means any program—

5 “(A) which provides assistance to individ-
6 uals, not less than 90 percent of whom are ap-
7 plicable taxpayers, in preparing and filing Fed-
8 eral income tax returns,

9 “(B) which is administered by a qualified
10 entity,

11 “(C) in which all volunteers who assist in
12 the preparation of Federal income tax returns
13 meet the training requirements prescribed by
14 the Secretary, and

15 “(D) which uses a quality review process
16 which reviews 100 percent of all returns.

17 “(2) QUALIFIED ENTITY.—

18 “(A) IN GENERAL.—The term ‘qualified
19 entity’ means any entity which—

20 “(i) is an eligible organization,

21 “(ii) is in compliance with Federal tax
22 filing and payment requirements,

23 “(iii) is not debarred or suspended
24 from Federal contracts, grants, or coopera-
25 tive agreements, and

1 “(iv) agrees to provide documentation
2 to substantiate any matching funds pro-
3 vided pursuant to the grant program under
4 this section.

5 “(B) ELIGIBLE ORGANIZATION.—The term
6 ‘eligible organization’ means—

7 “(i) an institution of higher education
8 which is described in section 102 (other
9 than subsection (a)(1)(C) thereof) of the
10 Higher Education Act of 1965 (20 U.S.C.
11 1002), as in effect on the date of the en-
12 actment of this section, and which has not
13 been disqualified from participating in a
14 program under title IV of such Act,

15 “(ii) an organization described in sec-
16 tion 501(c) and exempt from tax under
17 section 501(a),

18 “(iii) a local government agency, in-
19 cluding—

20 “(I) a county or municipal gov-
21 ernment agency, and

22 “(II) an Indian tribe, as defined
23 in section 4(13) of the Native Amer-
24 ican Housing Assistance and Self-De-
25 termination Act of 1996 (25 U.S.C.

1 4103(13)), including any tribally des-
2 igned housing entity (as defined in
3 section 4(22) of such Act (25 U.S.C.
4 4103(22))), tribal subsidiary, subdivi-
5 sion, or other wholly owned tribal en-
6 tity,

7 “(iv) a local, State, regional, or na-
8 tional coalition (with one lead organization
9 which meets the eligibility requirements of
10 clause (i), (ii), or (iii) acting as the appli-
11 cant organization), or

12 “(v) in the case of applicable tax-
13 payers and members of underserved popu-
14 lations with respect to which no organiza-
15 tions described in the preceding clauses are
16 available—

17 “(I) a State government agency,
18 or

19 “(II) an office providing Cooper-
20 ative Extension services (as estab-
21 lished at the land-grant colleges and
22 universities under the Smith-Lever
23 Act of May 8, 1914).

24 “(3) APPLICABLE TAXPAYERS.—The term ‘ap-
25 plicable taxpayer’ means a taxpayer whose income

1 for the taxable year does not exceed an amount
2 equal to the completed phaseout amount under sec-
3 tion 32(b) for a married couple filing a joint return
4 with three or more qualifying children, as deter-
5 mined in a revenue procedure or other published
6 guidance.

7 “(4) UNDERSERVED POPULATION.—The term
8 ‘underserved population’ includes populations of per-
9 sons with disabilities, persons with limited English
10 proficiency, Native Americans, individuals living in
11 rural areas, members of the Armed Forces and their
12 spouses, and the elderly.

13 “(f) SPECIAL RULES AND LIMITATIONS.—

14 “(1) DURATION OF GRANTS.—Upon application
15 of a qualified return preparation program, the Sec-
16 retary is authorized to award a multi-year grant not
17 to exceed 3 years.

18 “(2) AGGREGATE LIMITATION.—Unless other-
19 wise provided by specific appropriation, the Sec-
20 retary shall not allocate more than \$30,000,000 per
21 fiscal year (exclusive of costs of administering the
22 program) to grants under this section.

23 “(g) PROMOTION OF PROGRAMS.—

24 “(1) IN GENERAL.—The Secretary shall pro-
25 mote tax preparation through qualified return prepa-

1 ration programs through the use of mass commu-
2 nications and other means.

3 “(2) PROVISION OF INFORMATION REGARDING
4 QUALIFIED RETURN PREPARATION PROGRAMS.—The
5 Secretary may provide taxpayers information regard-
6 ing qualified return preparation programs receiving
7 grants under this section.

8 “(3) VITA GRANTEE REFERRAL.—Qualified re-
9 turn preparation programs receiving a grant under
10 this section are encouraged, in appropriate cases,
11 to—

12 “(A) advise taxpayers of the availability of,
13 and eligibility requirements for receiving, advice
14 and assistance from qualified low-income tax-
15 payer clinics receiving funding under section
16 7526, and

17 “(B) provide information regarding the lo-
18 cation of, and contact information for, such
19 clinics.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 for chapter 77 is amended by inserting after the item re-
22 lating to section 7526 the following new item:

 “Sec. 7526A. Return preparation programs for applicable taxpayers.”.

1 **SEC. 1402. PROVISION OF INFORMATION REGARDING LOW-**
2 **INCOME TAXPAYER CLINICS.**

3 (a) IN GENERAL.—Section 7526(c) of the Internal
4 Revenue Code of 1986 is amended by adding at the end
5 the following new paragraph:

6 “(6) PROVISION OF INFORMATION REGARDING
7 QUALIFIED LOW-INCOME TAXPAYER CLINICS.—Not-
8 withstanding any other provision of law, officers and
9 employees of the Department of the Treasury may—
10 “(A) advise taxpayers of the availability of,
11 and eligibility requirements for receiving, advice
12 and assistance from one or more specific quali-
13 fied low-income taxpayer clinics receiving fund-
14 ing under this section, and
15 “(B) provide information regarding the lo-
16 cation of, and contact information for, such
17 clinics.”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 this section shall take effect on the date of the enactment
20 of this Act.

21 **SEC. 1403. NOTICE FROM IRS REGARDING CLOSURE OF**
22 **TAXPAYER ASSISTANCE CENTERS.**

23 Not later than 90 days before the date that a pro-
24 posed closure of a Taxpayer Assistance Center would take
25 effect, the Secretary of the Treasury (or the Secretary’s
26 delegate) shall—

1 (1) make publicly available (including by non-
2 electronic means) a notice which—

3 (A) identifies the Taxpayer Assistance
4 Center proposed for closure and the date of
5 such proposed closure, and

6 (B) identifies the relevant alternative
7 sources of taxpayer assistance which may be
8 utilized by taxpayers affected by such proposed
9 closure, and

10 (2) submit to Congress a written report that in-
11 cludes—

12 (A) the information included in the notice
13 described in paragraph (1),

14 (B) the reasons for such proposed closure,
15 and

16 (C) such other information as the Sec-
17 retary may determine appropriate.

18 **SEC. 1404. RULES FOR SEIZURE AND SALE OF PERISHABLE**
19 **GOODS RESTRICTED TO ONLY PERISHABLE**
20 **GOODS.**

21 (a) IN GENERAL.—Section 6336 of the Internal Rev-
22 enue Code of 1986 is amended by striking “or become
23 greatly reduced in price or value by keeping, or that such
24 property cannot be kept without great expense”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to property seized after the date
3 of the enactment of this Act.

4 **SEC. 1405. WHISTLEBLOWER REFORMS.**

5 (a) MODIFICATIONS TO DISCLOSURE RULES FOR
6 WHISTLEBLOWERS.—

7 (1) IN GENERAL.—Section 6103(k) is amended
8 by adding at the end the following new paragraph:

9 “(13) DISCLOSURE TO WHISTLEBLOWERS.—

10 “(A) IN GENERAL.—The Secretary may
11 disclose, to any individual providing information
12 relating to any purpose described in paragraph
13 (1) or (2) of section 7623(a), return informa-
14 tion related to the investigation of any taxpayer
15 with respect to whom the individual has pro-
16 vided such information, but only to the extent
17 that such disclosure is necessary in obtaining
18 information, which is not otherwise reasonably
19 available, with respect to the correct determina-
20 tion of tax liability for tax, or the amount to be
21 collected with respect to the enforcement of any
22 other provision of this title.

23 “(B) UPDATES ON WHISTLEBLOWER IN-
24 VESTIGATIONS.—The Secretary shall disclose to
25 an individual providing information relating to

1 any purpose described in paragraph (1) or (2)
2 of section 7623(a) the following:

3 “(i) Not later than 60 days after a
4 case for which the individual has provided
5 information has been referred for an audit
6 or examination, a notice with respect to
7 such referral.

8 “(ii) Not later than 60 days after a
9 taxpayer with respect to whom the indi-
10 vidual has provided information has made
11 a payment of tax with respect to tax liabil-
12 ity to which such information relates, a no-
13 tice with respect to such payment.

14 “(iii) Subject to such requirements
15 and conditions as are prescribed by the
16 Secretary, upon a written request by such
17 individual—

18 “(I) information on the status
19 and stage of any investigation or ac-
20 tion related to such information, and

21 “(II) in the case of a determina-
22 tion of the amount of any award
23 under section 7623(b), the reasons for
24 such determination.

1 Clause (iii) shall not apply to any information
2 if the Secretary determines that disclosure of
3 such information would seriously impair Fed-
4 eral tax administration. Information described
5 in clauses (i), (ii), and (iii) may be disclosed to
6 a designee of the individual providing such in-
7 formation in accordance with guidance provided
8 by the Secretary.”.

9 (2) CONFORMING AMENDMENTS.—

10 (A) CONFIDENTIALITY OF INFORMA-
11 TION.—Section 6103(a)(3) is amended by strik-
12 ing “subsection (k)(10)” and inserting “para-
13 graph (10) or (13) of subsection (k)”.

14 (B) PENALTY FOR UNAUTHORIZED DIS-
15 CLOSURE.—Section 7213(a)(2) is amended by
16 striking “(k)(10)” and inserting “(k)(10) or
17 (13)”.

18 (C) COORDINATION WITH AUTHORITY TO
19 DISCLOSE FOR INVESTIGATIVE PURPOSES.—
20 Section 6103(k)(6) is amended by adding at the
21 end the following new sentence: “This para-
22 graph shall not apply to any disclosure to an in-
23 dividual providing information relating to any
24 purpose described in paragraph (1) or (2) of

1 section 7623(a) which is made under paragraph
2 (13)(A).”.

3 (b) PROTECTION AGAINST RETALIATION.—Section
4 7623 is amended by adding at the end the following new
5 subsection:

6 “(d) CIVIL ACTION TO PROTECT AGAINST RETALIA-
7 TION CASES.—

8 “(1) ANTI-RETALIATION WHISTLEBLOWER PRO-
9 TECTION FOR EMPLOYEES.—No employer, or any of-
10 ficer, employee, contractor, subcontractor, or agent
11 of such employer, may discharge, demote, suspend,
12 threaten, harass, or in any other manner discrimi-
13 nate against an employee in the terms and condi-
14 tions of employment (including through an act in the
15 ordinary course of such employee’s duties) in re-
16 prisal for any lawful act done by the employee—

17 “(A) to provide information, cause infor-
18 mation to be provided, or otherwise assist in an
19 investigation regarding underpayment of tax or
20 any conduct which the employee reasonably be-
21 lieves constitutes a violation of the internal rev-
22 enue laws or any provision of Federal law relat-
23 ing to tax fraud, when the information or as-
24 sistance is provided to the Internal Revenue
25 Service, the Secretary of Treasury, the Treas-

1 ury Inspector General for Tax Administration,
2 the Comptroller General of the United States,
3 the Department of Justice, the United States
4 Congress, a person with supervisory authority
5 over the employee, or any other person working
6 for the employer who has the authority to inves-
7 tigate, discover, or terminate misconduct, or

8 “(B) to testify, participate in, or otherwise
9 assist in any administrative or judicial action
10 taken by the Internal Revenue Service relating
11 to an alleged underpayment of tax or any viola-
12 tion of the internal revenue laws or any provi-
13 sion of Federal law relating to tax fraud.

14 “(2) ENFORCEMENT ACTION.—

15 “(A) IN GENERAL.—A person who alleges
16 discharge or other reprisal by any person in vio-
17 lation of paragraph (1) may seek relief under
18 paragraph (3) by—

19 “(i) filing a complaint with the Sec-
20 retary of Labor, or

21 “(ii) if the Secretary of Labor has not
22 issued a final decision within 180 days of
23 the filing of the complaint and there is no
24 showing that such delay is due to the bad
25 faith of the claimant, bringing an action at

1 law or equity for de novo review in the ap-
2 propriate district court of the United
3 States, which shall have jurisdiction over
4 such an action without regard to the
5 amount in controversy.

6 “(B) PROCEDURE.—

7 “(i) IN GENERAL.—An action under
8 subparagraph (A)(i) shall be governed
9 under the rules and procedures set forth in
10 section 42121(b) of title 49, United States
11 Code.

12 “(ii) EXCEPTION.—Notification made
13 under section 42121(b)(1) of title 49,
14 United States Code, shall be made to the
15 person named in the complaint and to the
16 employer.

17 “(iii) BURDENS OF PROOF.—An ac-
18 tion brought under subparagraph (A)(ii)
19 shall be governed by the legal burdens of
20 proof set forth in section 42121(b) of title
21 49, United States Code, except that in ap-
22 plying such section—

23 “(I) ‘behavior described in para-
24 graph (1)’ shall be substituted for ‘be-
25 havior described in paragraphs (1)

1 through (4) of subsection (a)' each
2 place it appears in paragraph (2)(B)
3 thereof, and

4 “(II) ‘a violation of paragraph
5 (1)’ shall be substituted for ‘a viola-
6 tion of subsection (a)’ each place it
7 appears.

8 “(iv) STATUTE OF LIMITATIONS.—A
9 complaint under subparagraph (A)(i) shall
10 be filed not later than 180 days after the
11 date on which the violation occurs.

12 “(v) JURY TRIAL.—A party to an ac-
13 tion brought under subparagraph (A)(ii)
14 shall be entitled to trial by jury.

15 “(3) REMEDIES.—

16 “(A) IN GENERAL.—An employee pre-
17 vailing in any action under paragraph (2)(A)
18 shall be entitled to all relief necessary to make
19 the employee whole.

20 “(B) COMPENSATORY DAMAGES.—Relief
21 for any action under subparagraph (A) shall in-
22 clude—

23 “(i) reinstatement with the same se-
24 niority status that the employee would
25 have had, but for the reprisal,

1 “(ii) the sum of 200 percent of the
2 amount of back pay and 100 percent of all
3 lost benefits, with interest, and

4 “(iii) compensation for any special
5 damages sustained as a result of the re-
6 prisal, including litigation costs, expert wit-
7 ness fees, and reasonable attorney fees.

8 “(4) RIGHTS RETAINED BY EMPLOYEE.—Noth-
9 ing in this section shall be deemed to diminish the
10 rights, privileges, or remedies of any employee under
11 any Federal or State law, or under any collective
12 bargaining agreement.

13 “(5) NONENFORCEABILITY OF CERTAIN PROVI-
14 SIONS WAIVING RIGHTS AND REMEDIES OR REQUIR-
15 ING ARBITRATION OF DISPUTES.—

16 “(A) WAIVER OF RIGHTS AND REM-
17 EDIES.—The rights and remedies provided for
18 in this subsection may not be waived by any
19 agreement, policy form, or condition of employ-
20 ment, including by a predispute arbitration
21 agreement.

22 “(B) PREDISPUTE ARBITRATION AGREE-
23 MENTS.—No predispute arbitration agreement
24 shall be valid or enforceable, if the agreement

1 requires arbitration of a dispute arising under
2 this subsection.”.

3 (c) EFFECTIVE DATE.—

4 (1) IN GENERAL.—The amendments made by
5 subsection (a) shall apply to disclosures made after
6 the date of the enactment of this Act.

7 (2) CIVIL PROTECTION.—The amendment made
8 by subsection (b) shall take effect on the date of the
9 enactment of this Act.

10 **SEC. 1406. CUSTOMER SERVICE INFORMATION.**

11 The Secretary of the Treasury (or the Secretary’s
12 delegate) shall provide helpful information to taxpayers
13 placed on hold during a telephone call to any Internal Rev-
14 enue Service help line, including the following:

15 (1) Information about common tax scams.

16 (2) Information on where and how to report tax
17 scams.

18 (3) Additional advice on how taxpayers can pro-
19 tect themselves from identity theft and tax scams.

20 **SEC. 1407. MISDIRECTED TAX REFUND DEPOSITS.**

21 Section 6402 is amended by adding at the end the
22 following new subsection:

23 “(n) MISDIRECTED DIRECT DEPOSIT REFUND.—Not
24 later than the date which is 6 month after the date of
25 the enactment of the Taxpayer First Act of 2018, the Sec-

1 retary shall prescribe regulations to establish procedures
2 to allow for—

3 “(1) taxpayers to report instances in which a
4 refund made by the Secretary by electronic funds
5 transfer was erroneously delivered to an account at
6 a financial institution for which the taxpayer is not
7 the owner;

8 “(2) coordination with financial institutions for
9 the purpose of—

10 “(A) identifying erroneous payments de-
11 scribed in paragraph (1); and

12 “(B) recovery of the erroneously trans-
13 ferred amounts; and

14 “(3) the refund to be delivered to the correct
15 account of the taxpayer.”.

16 **TITLE II—21ST CENTURY IRS**
17 **Subtitle A—Cybersecurity and**
18 **Identity Protection**

19 **SEC. 2001. PUBLIC-PRIVATE PARTNERSHIP TO ADDRESS**
20 **IDENTITY THEFT REFUND FRAUD.**

21 The Secretary of the Treasury (or the Secretary’s
22 delegate) shall work collaboratively with the public and
23 private sectors to protect taxpayers from identity theft re-
24 fund fraud.

1 **SEC. 2002. RECOMMENDATIONS OF ELECTRONIC TAX AD-**
2 **MINISTRATION ADVISORY COMMITTEE RE-**
3 **GARDING IDENTITY THEFT REFUND FRAUD.**

4 The Secretary of the Treasury shall ensure that the
5 advisory group convened by the Secretary pursuant to sec-
6 tion 2001(b)(2) of the Internal Revenue Service Restruc-
7 turing and Reform Act of 1998 (commonly known as the
8 Electronic Tax Administration Advisory Committee) stud-
9 ies (including by providing organized public forums) and
10 makes recommendations to the Secretary regarding meth-
11 ods to prevent identity theft and refund fraud.

12 **SEC. 2003. INFORMATION SHARING AND ANALYSIS CENTER.**

13 (a) IN GENERAL.—The Secretary of the Treasury (or
14 the Secretary’s delegate) may participate in an informa-
15 tion sharing and analysis center to centralize, standardize,
16 and enhance data compilation and analysis to facilitate
17 sharing actionable data and information with respect to
18 identity theft tax refund fraud.

19 (b) DEVELOPMENT OF PERFORMANCE METRICS.—
20 The Secretary of the Treasury (or the Secretary’s dele-
21 gate) shall develop metrics for measuring the success of
22 such center in detecting and preventing identity theft tax
23 refund fraud.

24 (c) DISCLOSURE.—

1 (1) IN GENERAL.—Section 6103(k), as amend-
2 ed by this Act, is amended by adding at the end the
3 following new paragraph:

4 “(14) DISCLOSURE OF RETURN INFORMATION
5 FOR PURPOSES OF CYBERSECURITY AND THE PRE-
6 VENTION OF IDENTITY THEFT TAX REFUND
7 FRAUD.—

8 “(A) IN GENERAL.—Under such proce-
9 dures and subject to such conditions as the Sec-
10 retary may prescribe, the Secretary may dis-
11 close specified return information to specified
12 ISAC participants to the extent that the Sec-
13 retary determines such disclosure is in further-
14 ance of effective Federal tax administration re-
15 lating to the detection or prevention of identity
16 theft tax refund fraud, validation of taxpayer
17 identity, authentication of taxpayer returns, or
18 detection or prevention of cybersecurity threats.

19 “(B) SPECIFIED ISAC PARTICIPANTS.—For
20 purposes of this paragraph—

21 “(i) IN GENERAL.—The term ‘speci-
22 fied ISAC participant’ means—

23 “(I) any person designated by
24 the Secretary as having primary re-
25 sponsibility for a function performed

1 with respect to the information shar-
2 ing and analysis center described in
3 section 2003(a) of the Taxpayer First
4 Act of 2018, and

5 “(II) any person subject to the
6 requirements of section 7216 and
7 which is a participant in such infor-
8 mation sharing and analysis center.

9 “(ii) INFORMATION SHARING AGREE-
10 MENT.—Such term shall not include any
11 person unless such person has entered into
12 a written agreement with the Secretary
13 setting forth the terms and conditions for
14 the disclosure of information to such per-
15 son under this paragraph, including re-
16 quirements regarding the protection and
17 safeguarding of such information by such
18 person.

19 “(C) SPECIFIED RETURN INFORMATION.—
20 For purposes of this paragraph, the term ‘spec-
21 ified return information’ means—

22 “(i) in the case of a return which is
23 in connection with a case of potential iden-
24 tity theft refund fraud—

1 “(I) in the case of such return
2 filed electronically, the internet pro-
3 tocol address, device identification,
4 email domain name, speed of comple-
5 tion, method of authentication, refund
6 method, and such other return infor-
7 mation related to the electronic filing
8 characteristics of such return as the
9 Secretary may identify for purposes of
10 this subclause, and

11 “(II) in the case of such return
12 prepared by a tax return preparer,
13 identifying information with respect to
14 such tax return preparer, including
15 the preparer taxpayer identification
16 number and electronic filer identifica-
17 tion number of such preparer,

18 “(ii) in the case of a return which is
19 in connection with a case of a identity
20 theft refund fraud which has been con-
21 firmed by the Secretary (pursuant to such
22 procedures as the Secretary may provide),
23 the information referred to in subclauses
24 (I) and (II) of clause (i), the name and
25 taxpayer identification number of the tax-

1 payer as it appears on the return, and any
2 bank account and routing information pro-
3 vided for making a refund in connection
4 with such return, and

5 “(iii) in the case of any cybersecurity
6 threat to the Internal Revenue Service, in-
7 formation similar to the information de-
8 scribed in subclauses (I) and (II) of clause
9 (i) with respect to such threat.

10 “(D) RESTRICTION ON USE OF DISCLOSED
11 INFORMATION.—

12 “(i) DESIGNATED THIRD PARTIES.—
13 Any return information received by a per-
14 son described in subparagraph (B)(i)(I)
15 shall be used only for the purposes of and
16 to the extent necessary in—

17 “(I) performing the function such
18 person is designated to perform under
19 such subparagraph,

20 “(II) facilitating disclosures au-
21 thorized under subparagraph (A) to
22 persons described in subparagraph
23 (B)(i)(II), and

24 “(III) facilitating disclosures au-
25 thorized under subsection (d) to par-

1 participants in such information sharing
2 and analysis center.

3 “(ii) RETURN PREPARERS.—Any re-
4 turn information received by a person de-
5 scribed in subparagraph (B)(i)(II) shall be
6 treated for purposes of section 7216 as in-
7 formation furnished to such person for, or
8 in connection with, the preparation of a re-
9 turn of the tax imposed under chapter 1.

10 “(E) DATA PROTECTION AND SAFE-
11 GUARDS.—Return information disclosed under
12 this paragraph shall be subject to such protec-
13 tions and safeguards as the Secretary may re-
14 quire in regulations or other guidance or in the
15 written agreement referred to in subparagraph
16 (B)(ii). Such written agreement shall include a
17 requirement that any unauthorized access to in-
18 formation disclosed under this paragraph, and
19 any breach of any system in which such infor-
20 mation is held, be reported to the Treasury In-
21 spector General for Tax Administration.”.

22 (2) APPLICATION OF CIVIL AND CRIMINAL PEN-
23 ALTIES.—

1 (A) Section 6103(a)(3), as amended by
2 this Act, is amended by striking “or (13)” and
3 inserting “(13), or (14)”.

4 (B) Section 7213(a)(2), as amended by
5 this Act, is amended by striking “or (13)” and
6 inserting “(13), or (14)”.

7 **SEC. 2004. COMPLIANCE BY CONTRACTORS WITH CON-**
8 **FIDENTIALITY SAFEGUARDS.**

9 (a) IN GENERAL.—Section 6103(p) is amended by
10 adding at the end the following new paragraph:

11 “(9) DISCLOSURE TO CONTRACTORS AND
12 OTHER AGENTS.—Notwithstanding any other provi-
13 sion of this section, no return or return information
14 shall be disclosed to any contractor or other agent
15 of a Federal, State, or local agency unless such
16 agency, to the satisfaction of the Secretary—

17 “(A) has requirements in effect which re-
18 quire each such contractor or other agent which
19 would have access to returns or return informa-
20 tion to provide safeguards (within the meaning
21 of paragraph (4)) to protect the confidentiality
22 of such returns or return information,

23 “(B) agrees to conduct an on-site review
24 every 3 years (or a mid-point review in the case
25 of contracts or agreements of less than 3 years

1 in duration) of each contractor or other agent
2 to determine compliance with such require-
3 ments,

4 “(C) submits the findings of the most re-
5 cent review conducted under subparagraph (B)
6 to the Secretary as part of the report required
7 by paragraph (4)(E), and

8 “(D) certifies to the Secretary for the most
9 recent annual period that such contractor or
10 other agent is in compliance with all such re-
11 quirements.

12 The certification required by subparagraph (D) shall
13 include the name and address of each contractor or
14 other agent, a description of the contract or agree-
15 ment with such contractor or other agent, and the
16 duration of such contract or agreement. The require-
17 ments of this paragraph shall not apply to disclo-
18 sures pursuant to subsection (n) for purposes of
19 Federal tax administration.”.

20 (b) CONFORMING AMENDMENT.—Section
21 6103(p)(8)(B) is amended by inserting “or paragraph
22 (9)” after “subparagraph (A)”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to disclosures made after Decem-
25 ber 31, 2022.

1 **SEC. 2005. REPORT ON ELECTRONIC PAYMENTS.**

2 Not later than 2 years after the date of the enact-
3 ment of this Act, the Secretary of the Treasury (or the
4 Secretary's delegate), in coordination with the Bureau of
5 Fiscal Service and the Internal Revenue Service, and in
6 consultation with private sector financial institutions, shall
7 submit a written report to Congress describing how the
8 government can utilize new payment platforms to increase
9 the number of tax refunds paid by electronic funds trans-
10 fer. Such report shall weigh the interests of reducing iden-
11 tity theft tax refund fraud, reducing the Federal Govern-
12 ment's costs in delivering tax refunds, the costs and any
13 associated fees charged to taxpayers (including monthly
14 and point-of-service fees) to access their tax refunds, the
15 impact on individuals who do not have access to financial
16 accounts or institutions, and ensuring payments are made
17 to accounts at a financial institution that complies with
18 section 21 of the Federal Deposit Insurance Act, chapter
19 2 of title I of Public Law 91-508, and subchapter II of
20 chapter 53 of title 31, United States Code (commonly re-
21 ferred to collectively as the "Bank Secrecy Act") and the
22 USA PATRIOT Act. Such report shall include any legisla-
23 tive recommendations necessary to accomplish these goals.

1 **SEC. 2006. IDENTITY PROTECTION PERSONAL IDENTIFICA-**
2 **TION NUMBERS.**

3 Not later than 5 years after the date of the enact-
4 ment of this Act, the Secretary of the Treasury or the
5 Secretary's delegate (hereafter referred to in this section
6 as the "Secretary") shall establish a program to issue,
7 upon the request of any individual, a number which may
8 be used in connection with such individual's social security
9 number (or other identifying information with respect to
10 such individual as determined by the Secretary) to assist
11 the Secretary in verifying such individual's identity.

12 **SEC. 2007. SINGLE POINT OF CONTACT FOR TAX-RELATED**
13 **IDENTITY THEFT VICTIMS.**

14 (a) IN GENERAL.—The Secretary of the Treasury (or
15 the Secretary's delegate) shall establish and implement
16 procedures to ensure that any taxpayer whose return has
17 been delayed or otherwise adversely affected due to tax-
18 related identity theft has a single point of contact at the
19 Internal Revenue Service throughout the processing of the
20 taxpayer's case. The single point of contact shall track the
21 taxpayer's case to completion and coordinate with other
22 Internal Revenue Service employees to resolve case issues
23 as quickly as possible.

24 (b) SINGLE POINT OF CONTACT.—

1 (1) IN GENERAL.—For purposes of subsection
2 (a), the single point of contact shall consist of a
3 team or subset of specially trained employees who—

4 (A) have the ability to work across func-
5 tions to resolve the issues involved in the tax-
6 payer’s case; and

7 (B) shall be accountable for handling the
8 case until its resolution.

9 (2) TEAM OR SUBSET.—The employees included
10 within the team or subset described in paragraph (1)
11 may change as required to meet the needs of the In-
12 ternal Revenue Service, provided that procedures
13 have been established to—

14 (A) ensure continuity of records and case
15 history; and

16 (B) notify the taxpayer when appropriate.

17 **SEC. 2008. NOTIFICATION OF SUSPECTED IDENTITY THEFT.**

18 (a) IN GENERAL.—Chapter 77 is amended by adding
19 at the end the following new section:

20 **“SEC. 7529. NOTIFICATION OF SUSPECTED IDENTITY**
21 **THEFT.**

22 “(a) IN GENERAL.—If the Secretary determines that
23 there has been or may have been an unauthorized use of
24 the identity of any individual, the Secretary shall, without

1 jeopardizing an investigation relating to tax administra-
2 tion—

3 “(1) as soon as practicable, notify the indi-
4 vidual of such determination and provide—

5 “(A) instructions on how to file a report
6 with law enforcement regarding the unauthor-
7 ized use of the identity of the individual,

8 “(B) the identification of any forms nec-
9 essary for the individual to complete and submit
10 to law enforcement to permit access to personal
11 information of the individual during the inves-
12 tigation,

13 “(C) information regarding actions the in-
14 dividual may take in order to protect the indi-
15 vidual from harm relating to such unauthorized
16 use, and

17 “(D) an offer of identity protection meas-
18 ures to be provided to the individual by the In-
19 ternal Revenue Service, such as the use of an
20 identity protection personal identification num-
21 ber, and

22 “(2) at the time the information described in
23 paragraph (1) is provided (or, if not available at
24 such time, as soon as practicable thereafter), issue

1 additional notifications to such individual (or such
2 individual's designee) regarding—

3 “(A) whether an investigation has been ini-
4 tiated in regards to such unauthorized use,

5 “(B) whether the investigation substan-
6 tiated an unauthorized use of the identity of the
7 individual, and

8 “(C) whether—

9 “(i) any action has been taken against
10 a person relating to such unauthorized use,
11 or

12 “(ii) any referral has been made for
13 criminal prosecution of such person and, to
14 the extent such information is available,
15 whether such person has been criminally
16 charged by indictment or information.

17 “(b) EMPLOYMENT-RELATED IDENTITY THEFT.—

18 “(1) IN GENERAL.—For purposes of this sec-
19 tion, the unauthorized use of the identity of an indi-
20 vidual includes the unauthorized use of the identity
21 of the individual to obtain employment.

22 “(2) DETERMINATION OF EMPLOYMENT-RE-
23 LATED IDENTITY THEFT.—For purposes of this sec-
24 tion, in making a determination as to whether there
25 has been or may have been an unauthorized use of

1 the identity of an individual to obtain employment,
2 the Secretary shall review any information—

3 “(A) obtained from a statement described
4 in section 6051 or an information return relat-
5 ing to compensation for services rendered other
6 than as an employee, or

7 “(B) provided to the Internal Revenue
8 Service by the Social Security Administration
9 regarding any statement described in section
10 6051,

11 which indicates that the social security account num-
12 ber provided on such statement or information re-
13 turn does not correspond with the name provided on
14 such statement or information return or the name
15 on the tax return reporting the income which is in-
16 cluded on such statement or information return.”.

17 (b) ADDITIONAL MEASURES.—

18 (1) EXAMINATION OF BOTH PAPER AND ELEC-
19 TRONIC STATEMENTS AND RETURNS.—The Sec-
20 retary of the Treasury (or the Secretary’s delegate)
21 shall examine the statements, information returns,
22 and tax returns described in section 7529(b)(2) of
23 the Internal Revenue Code of 1986 (as added by
24 subsection (a)) for any evidence of employment-re-
25 lated identity theft, regardless of whether such state-

1 ments or returns are submitted electronically or on
2 paper.

3 (2) IMPROVEMENT OF EFFECTIVE RETURN
4 PROCESSING PROGRAM WITH SOCIAL SECURITY AD-
5 MINISTRATION.—Section 232 of the Social Security
6 Act (42 U.S.C. 432) is amended by inserting after
7 the third sentence the following: “For purposes of
8 carrying out the return processing program de-
9 scribed in the preceding sentence, the Commissioner
10 of Social Security shall request, not less than annu-
11 ally, such information described in section
12 7529(b)(2) of the Internal Revenue Code of 1986 as
13 may be necessary to ensure the accuracy of the
14 records maintained by the Commissioner of Social
15 Security related to the amounts of wages paid to,
16 and the amounts of self-employment income derived
17 by, individuals.”.

18 (3) UNDERREPORTING OF INCOME.—The Sec-
19 retary (or the Secretary’s delegate) shall establish
20 procedures to ensure that income reported in con-
21 nection with the unauthorized use of a taxpayer’s
22 identity is not taken into account in determining any
23 penalty for underreporting of income by the victim
24 of identity theft.

1 (c) CLERICAL AMENDMENT.—The table of sections
2 for chapter 77 is amended by adding at the end the fol-
3 lowing new item:

“Sec. 7529. Notification of suspected identity theft.”.

4 (d) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to determinations made after the
6 date that is 6 months after the date of the enactment of
7 this Act.

8 **SEC. 2009. GUIDELINES FOR STOLEN IDENTITY REFUND**
9 **FRAUD CASES.**

10 (a) IN GENERAL.—Not later than 1 year after the
11 date of the enactment of this Act, the Secretary (or the
12 Secretary’s delegate), in consultation with the National
13 Taxpayer Advocate, shall develop and implement publicly
14 available guidelines for management of cases involving sto-
15 len identity refund fraud in a manner that reduces the
16 administrative burden on taxpayers who are victims of
17 such fraud.

18 (b) STANDARDS AND PROCEDURES TO BE CONSID-
19 ERED.—The guidelines described in subsection (a) may in-
20 clude—

21 (1) standards for—

22 (A) the average length of time in which a
23 case involving stolen identity refund fraud
24 should be resolved;

1 (B) the maximum length of time, on aver-
2 age, a taxpayer who is a victim of stolen iden-
3 tity refund fraud and is entitled to a tax refund
4 which has been stolen should have to wait to re-
5 ceive such refund; and

6 (C) the maximum number of offices and
7 employees within the Internal Revenue Service
8 with whom a taxpayer who is a victim of stolen
9 identity refund fraud should be required to
10 interact in order to resolve a case;

11 (2) standards for opening, assigning, reas-
12 signing, or closing a case involving stolen identity re-
13 fund fraud; and

14 (3) procedures for implementing and accom-
15 plishing the standards described in paragraphs (1)
16 and (2), and measures for evaluating such proce-
17 dures and determining whether such standards have
18 been successfully implemented.

19 **SEC. 2010. INCREASED PENALTY FOR IMPROPER DISCLO-**
20 **SURE OR USE OF INFORMATION BY PRE-**
21 **PARERS OF RETURNS.**

22 (a) IN GENERAL.—Section 6713 is amended—

23 (1) by redesignating subsections (b) and (c) as
24 subsections (c) and (d), respectively; and

1 (2) by inserting after subsection (a) the fol-
2 lowing new subsection:

3 “(b) ENHANCED PENALTY FOR IMPROPER USE OR
4 DISCLOSURE RELATING TO IDENTITY THEFT.—

5 “(1) IN GENERAL.—In the case of a disclosure
6 or use described in subsection (a) that is made in
7 connection with a crime relating to the misappropriation of another person’s taxpayer identity (as defined in section 6103(b)(6)), whether or not such
8 crime involves any tax filing, subsection (a) shall be
9 applied—
10 applied—

11 “(A) by substituting ‘\$1,000’ for ‘\$250’,
12 and
13 “(B) by substituting ‘\$50,000’ for

14 ‘\$10,000’.
15 “(2) SEPARATE APPLICATION OF TOTAL PEN-

16 ALTY LIMITATION.—The limitation on the total
17 amount of the penalty under subsection (a) shall be
18 applied separately with respect to disclosures or uses
19 to which this subsection applies and to which it does
20 not apply.”.

21 (b) CRIMINAL PENALTY.—Section 7216(a) is amend-
22 ed by striking “\$1,000” and inserting “\$1,000 (\$100,000
23 in the case of a disclosure or use to which section 6713(b)
24 applies)”.
25 applies)”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to disclosures or uses on or after
3 the date of the enactment of this Act.

4 **Subtitle B—Development of**
5 **Information Technology**

6 **SEC. 2101. MANAGEMENT OF INTERNAL REVENUE SERVICE**
7 **INFORMATION TECHNOLOGY.**

8 (a) DUTIES AND RESPONSIBILITIES OF INTERNAL
9 REVENUE SERVICE CHIEF INFORMATION OFFICER.—Sec-
10 tion 7803, as amended by section 1001, is amended by
11 adding at the end the following new subsection:

12 “(f) INTERNAL REVENUE SERVICE CHIEF INFORMA-
13 TION OFFICER.—

14 “(1) IN GENERAL.—There shall be in the Inter-
15 nal Revenue Service an Internal Revenue Service
16 Chief Information Officer (hereafter referred to in
17 this subsection as the ‘IRS CIO’) who shall be ap-
18 pointed by the Commissioner of the Internal Rev-
19 enue Service.

20 “(2) CENTRALIZED RESPONSIBILITY FOR IN-
21 TERNAL REVENUE SERVICE INFORMATION TECH-
22 NOLOGY.—The Commissioner of the Internal Rev-
23 enue Service (and the Secretary) shall act through
24 the IRS CIO with respect to all development, imple-
25 mentation, and maintenance of information tech-

1 nology for the Internal Revenue Service. Any ref-
2 erence in this subsection to the IRS CIO which di-
3 rects the IRS CIO to take any action, or to assume
4 any responsibility, shall be treated as a reference to
5 the Commissioner of the Internal Revenue Service
6 acting through the IRS CIO.

7 “(3) GENERAL DUTIES AND RESPONSIBIL-
8 ITIES.—The IRS CIO shall—

9 “(A) be responsible for the development,
10 implementation, and maintenance of informa-
11 tion technology for the Internal Revenue Serv-
12 ice,

13 “(B) ensure that the information tech-
14 nology of the Internal Revenue Service is secure
15 and integrated,

16 “(C) maintain operational control of all in-
17 formation technology for the Internal Revenue
18 Service,

19 “(D) be the principal advocate for the in-
20 formation technology needs of the Internal Rev-
21 enue Service, and

22 “(E) consult with the Chief Procurement
23 Officer of the Internal Revenue Service to en-
24 sure that the information technology acquired

1 for the Internal Revenue Service is consistent
2 with—

3 “(i) the goals and requirements speci-
4 fied in subparagraphs (A) through (D),
5 and

6 “(ii) the strategic plan developed
7 under paragraph (4).

8 “(4) STRATEGIC PLAN.—

9 “(A) IN GENERAL.—The IRS CIO shall
10 develop and implement a multiyear strategic
11 plan for the information technology needs of the
12 Internal Revenue Service. Such plan shall—

13 “(i) include performance measure-
14 ments of such technology and of the imple-
15 mentation of such plan,

16 “(ii) include a plan for an integrated
17 enterprise architecture of the information
18 technology of the Internal Revenue Service,

19 “(iii) include and take into account
20 the resources needed to accomplish such
21 plan,

22 “(iv) take into account planned major
23 acquisitions of information technology by
24 the Internal Revenue Service, including

1 Customer Account Data Engine 2 and the
2 Enterprise Case Management System, and

3 “(v) align with the needs and stra-
4 tegic plan of the Internal Revenue Service.

5 “(B) PLAN UPDATES.—The IRS CIO
6 shall, not less frequently than annually, review
7 and update the strategic plan under subpara-
8 graph (A) (including the plan for an integrated
9 enterprise architecture described in subpara-
10 graph (A)(ii)) to take into account the develop-
11 ment of new information technology and the
12 needs of the Internal Revenue Service.

13 “(5) SCOPE OF AUTHORITY.—

14 “(A) INFORMATION TECHNOLOGY.—For
15 purposes of this subsection, the term ‘informa-
16 tion technology’ has the meaning given such
17 term by section 11101 of title 40, United States
18 Code.

19 “(B) INTERNAL REVENUE SERVICE.—Any
20 reference in this subsection to the Internal Rev-
21 enue Service includes a reference to all compo-
22 nents of the Internal Revenue Service, includ-
23 ing—

24 “(i) the Office of the Taxpayer Advoc-
25 cate,

1 “(ii) the Criminal Investigation Divi-
2 sion of the Internal Revenue Service, and
3 “(iii) except as otherwise provided by
4 the Secretary with respect to information
5 technology related to matters described in
6 subsection (b)(3)(B), the Office of the
7 Chief Counsel.”.

8 (b) INDEPENDENT VERIFICATION AND VALIDATION
9 OF THE CUSTOMER ACCOUNT DATA ENGINE 2 AND EN-
10 TERPRISE CASE MANAGEMENT SYSTEM.—

11 (1) IN GENERAL.—The Commissioner of the In-
12 ternal Revenue Service shall enter into a contract
13 with an independent reviewer to verify and validate
14 the implementation plans (including the performance
15 milestones and cost estimates included in such
16 plans) developed for the Customer Account Data
17 Engine 2 and the Enterprise Case Management Sys-
18 tem.

19 (2) DEADLINE FOR COMPLETION.—Such con-
20 tract shall require that such verification and valida-
21 tion be completed not later than the date which is
22 1 year after the date of the enactment of this Act.

23 (3) APPLICATION TO PHASES OF CADE 2.—

24 (A) IN GENERAL.—Paragraphs (1) and (2)
25 shall not apply to phase 1 of the Customer Ac-

1 count Data Engine 2 and shall apply separately
2 to each other phase.

3 (B) DEADLINE FOR COMPLETING
4 PLANS.—Not later than 1 year after the date of
5 the enactment of this Act, the Commissioner of
6 the Internal Revenue Service shall complete the
7 development of plans for all phases of the Cus-
8 tomer Account Data Engine 2.

9 (C) DEADLINE FOR COMPLETION OF
10 VERIFICATION AND VALIDATION OF PLANS.—In
11 the case of any phase after phase 2 of the Cus-
12 tomer Account Data Engine 2, paragraph (2)
13 shall be applied by substituting “the date on
14 which the plan for such phase was completed”
15 for “the date of the enactment of this Act”.

16 (c) COORDINATION OF IRS CIO AND CHIEF PRO-
17 CUREMENT OFFICER OF THE INTERNAL REVENUE SERV-
18 ICE.—

19 (1) IN GENERAL.—The Chief Procurement Offi-
20 cer of the Internal Revenue Service shall—

21 (A) identify all significant IRS information
22 technology acquisitions and provide written no-
23 tification to the Internal Revenue Service Chief
24 Information Officer (hereafter referred to in

1 this subsection as the “IRS CIO”) of each such
2 acquisition in advance of such acquisition, and

3 (B) regularly consult with the IRS CIO re-
4 garding acquisitions of information technology
5 for the Internal Revenue Service, including
6 meeting with the IRS CIO regarding such ac-
7 quisitions upon request.

8 (2) SIGNIFICANT IRS INFORMATION TECH-
9 NOLOGY ACQUISITIONS.—For purposes of this sub-
10 section, the term “significant IRS information tech-
11 nology acquisitions” means—

12 (A) any acquisition of information tech-
13 nology for the Internal Revenue Service in ex-
14 cess of \$1,000,000, and

15 (B) such other acquisitions of information
16 technology for the Internal Revenue Service (or
17 categories of such acquisitions) as the IRS CIO,
18 in consultation with the Chief Procurement Of-
19 ficer of the Internal Revenue Service, may iden-
20 tify.

21 (3) SCOPE.—Terms used in this subsection
22 which are also used in section 7803(f) of the Inter-
23 nal Revenue Code of 1986 (as amended by sub-
24 section (a)) shall have the same meaning as when
25 used in such section.

1 **SEC. 2102. DEVELOPMENT OF ONLINE ACCOUNTS AND POR-**
2 **TALS.**

3 (a) IN GENERAL.—The Secretary of the Treasury or
4 the Secretary’s delegate (hereafter referred to in this sec-
5 tion as the “Secretary”) shall—

6 (1) develop secure individualized online ac-
7 counts to provide services to taxpayers and their
8 designated return preparers, including obtaining tax-
9 payer information, making payment of taxes, shar-
10 ing documentation, and (to the extent feasible) ad-
11 dressing and correcting issues, and

12 (2) develop a process for the acceptance of tax
13 forms, and supporting documentation, in digital or
14 other electronic format.

15 (b) ELECTRONIC SERVICES TREATED AS SUPPLE-
16 MENTAL; APPLICATION OF SECURITY STANDARDS.—The
17 Secretary shall ensure that the processes described in sub-
18 section (a)—

19 (1) are a supplement to, and not a replacement
20 for, other services provided by the Internal Revenue
21 Service to taxpayers, including face-to-face taxpayer
22 assistance and services provided by phone, and

23 (2) comply with applicable security standards
24 and guidelines.

25 (c) PROCESS FOR DEVELOPING ONLINE AC-
26 COUNTS.—

1 (1) DEVELOPMENT OF PLAN.—Not later than 1
2 year after the date of the enactment of this Act, the
3 Secretary shall submit to Congress a written report
4 describing the Secretary’s plan for developing the se-
5 cure individualized online accounts described in sub-
6 section (a)(1). Such plan shall address the feasibility
7 of taxpayers addressing and correcting issues
8 through such accounts and whether access to such
9 accounts should be restricted and in what manner.

10 (2) DEADLINE.—The Secretary shall make
11 every reasonable effort to make the secure individ-
12 ualized online accounts described in subsection
13 (a)(1) available to taxpayers by December 31, 2023.

14 **SEC. 2103. INTERNET PLATFORM FOR FORM 1099 FILINGS.**

15 (a) IN GENERAL.—Not later than January 1, 2023,
16 the Secretary of the Treasury or the Secretary’s delegate
17 (hereafter referred to in this section as the “Secretary”)
18 shall make available an Internet website or other elec-
19 tronic media, with a user interface and functionality simi-
20 lar to the Business Services Online Suite of Services pro-
21 vided by the Social Security Administration, that will pro-
22 vide access to resources and guidance provided by the In-
23 ternal Revenue Service and will allow persons to—

24 (1) prepare and file Forms 1099,

1 (2) prepare Forms 1099 for distribution to re-
2 cipients other than the Internal Revenue Service,
3 and

4 (3) maintain a record of completed and sub-
5 mitted Forms 1099.

6 (b) **ELECTRONIC SERVICES TREATED AS SUPPLE-**
7 **MENTAL; APPLICATION OF SECURITY STANDARDS.**—The
8 Secretary shall ensure that the services described in sub-
9 section (a)—

10 (1) are a supplement to, and not a replacement
11 for, other services provided by the Internal Revenue
12 Service to taxpayers, and

13 (2) comply with applicable security standards
14 and guidelines.

15 **SEC. 2104. STREAMLINED CRITICAL PAY AUTHORITY FOR**
16 **INFORMATION TECHNOLOGY POSITIONS.**

17 (a) **IN GENERAL.**—Subchapter A of chapter 80 is
18 amended by adding at the end the following new section:

19 **“SEC. 7812. STREAMLINED CRITICAL PAY AUTHORITY FOR**
20 **INFORMATION TECHNOLOGY POSITIONS.**

21 “In the case of any position which is critical to the
22 functionality of the information technology operations of
23 the Internal Revenue Service—

24 “(1) section 9503 of title 5, United States
25 Code, shall be applied—

1 “(A) by substituting ‘during the period be-
2 ginning on the date of the enactment of section
3 7812 of the Internal Revenue Code of 1986,
4 and ending on September 30, 2023’ for ‘Before
5 September 30, 2013 in subsection (a)’,

6 “(B) without regard to subparagraph (B)
7 of subsection (a)(1), and

8 “(C) by substituting ‘the date of the enact-
9 ment of the Taxpayer First Act of 2018’ for
10 ‘June 1, 1998’ in subsection (a)(6),

11 “(2) section 9504 of such title 5 shall be ap-
12 plied by substituting ‘During the period beginning
13 on the date of the enactment of section 7812 of the
14 Internal Revenue Code of 1986, and ending on Sep-
15 tember 30, 2023’ for ‘Before September 30, 2013’
16 each place it appears in subsections (a) and (b), and

17 “(3) section 9505 of such title shall be ap-
18 plied—

19 “(A) by substituting ‘During the period be-
20 ginning on the date of the enactment of section
21 7812 of the Internal Revenue Code of 1986,
22 and ending on September 30, 2023’ for ‘Before
23 September 30, 2013’ in subsection (a), and

1 1986 of returns or return information by the Secretary
2 to a person seeking to verify the income or creditworthi-
3 ness of a taxpayer who is a borrower in the process of
4 a loan application.

5 (c) APPLICATION OF SECURITY STANDARDS.—The
6 Secretary shall ensure that the program described in sub-
7 section (a) complies with applicable security standards and
8 guidelines.

9 (d) USER FEE.—

10 (1) IN GENERAL.—During the 2-year period be-
11 ginning on the first day of the 6th calendar month
12 beginning after the date of the enactment of this
13 Act, the Secretary shall assess and collect a fee for
14 qualified disclosures (in addition to any other fee as-
15 sessed and collected for such disclosures) at such
16 rates as the Secretary determines are sufficient to
17 cover the costs related to implementing the program
18 described in subsection (a), including the costs of
19 any necessary infrastructure or technology.

20 (2) DEPOSIT OF COLLECTIONS.—Amounts re-
21 ceived from fees assessed and collected under para-
22 graph (1) shall be deposited in, and credited to, an
23 account solely for the purpose of carrying out the
24 activities described in subsection (a). Such amounts
25 shall be available to carry out such activities without

1 need of further appropriation and without fiscal year
2 limitation.

3 **SEC. 2202. LIMIT REDISCLOSURES AND USES OF CONSENT-**
4 **BASED DISCLOSURES OF TAX RETURN INFOR-**
5 **MATION.**

6 (a) IN GENERAL.—Section 6103(c) is amended by
7 adding at the end the following: “Persons designated by
8 the taxpayer under this subsection to receive return infor-
9 mation shall not use the information for any purpose other
10 than the express purpose for which consent was granted
11 and shall not disclose return information to any other per-
12 son without the express permission of, or request by, the
13 taxpayer.”.

14 (b) APPLICATION OF PENALTIES.—Section
15 6103(a)(3) is amended by inserting “subsection (c),” after
16 “return information under”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to disclosures made after the date
19 of the enactment of this Act.

20 **Subtitle D—Expanded Use of**
21 **Electronic Systems**

22 **SEC. 2301. ELECTRONIC FILING OF RETURNS.**

23 (a) IN GENERAL.—Section 6011(e)(2)(A) is amended
24 by striking “250” and inserting “the applicable number
25 of”.

1 (b) APPLICABLE NUMBER.—Section 6011(e) is
2 amended by striking paragraph (5) and inserting the fol-
3 lowing new paragraphs:

4 “(5) APPLICABLE NUMBER.—

5 “(A) IN GENERAL.—For purposes of para-
6 graph (2)(A), the applicable number shall be—

7 “(i) except as provided in subpara-
8 graph (B), in the case of calendar years
9 before 2020, 250,

10 “(ii) in the case of calendar year
11 2020, 100, and

12 “(iii) in the case of calendar years
13 after 2020, 10.

14 “(B) SPECIAL RULE FOR PARTNERSHIPS
15 FOR 2018 AND 2019.—In the case of a partner-
16 ship, for any calendar year before 2020, the ap-
17 plicable number shall be—

18 “(i) in the case of calendar year 2018,
19 200, and

20 “(ii) in the case of calendar year
21 2019, 150.

22 “(6) PARTNERSHIPS REQUIRED TO FILE ON
23 MAGNETIC MEDIA.—Notwithstanding paragraph
24 (2)(A), the Secretary shall require partnerships hav-

1 ing more than 100 partners to file returns on mag-
2 netic media.”.

3 (c) RETURNS FILED BY A TAX RETURN PRE-
4 PARER.—Section 6011(e)(3) is amended by adding at the
5 end the following new subparagraph:

6 “(D) EXCEPTION FOR CERTAIN PRE-
7 PARERS LOCATED IN AREAS WITHOUT INTER-
8 NET ACCESS.—The Secretary may waive the re-
9 quirement of subparagraph (A) if the Secretary
10 determines, on the basis of an application by
11 the tax return preparer, that the preparer can-
12 not meet such requirement by reason of being
13 located in a geographic area which does not
14 have access to internet service (other than dial-
15 up or satellite service).”.

16 (d) EFFECTIVE DATE.—The amendments made by
17 this section shall take effect on the date of the enactment
18 of this Act.

19 **SEC. 2302. UNIFORM STANDARDS FOR THE USE OF ELEC-**
20 **TRONIC SIGNATURES FOR DISCLOSURE AU-**
21 **THORIZATIONS TO, AND OTHER AUTHORIZA-**
22 **TIONS OF, PRACTITIONERS.**

23 Section 6061(b)(3) is amended to read as follows:

24 “(3) PUBLISHED GUIDANCE.—

1 “(A) IN GENERAL.—The Secretary shall
2 publish guidance as appropriate to define and
3 implement any waiver of the signature require-
4 ments or any method adopted under paragraph
5 (1).

6 “(B) ELECTRONIC SIGNATURES FOR DIS-
7 CLOSURE AUTHORIZATIONS TO, AND OTHER AU-
8 THORIZATIONS OF, PRACTITIONERS.—Not later
9 than 6 months after the date of the enactment
10 of this subparagraph, the Secretary shall pub-
11 lish guidance to establish uniform standards
12 and procedures for the acceptance of taxpayers’
13 signatures appearing in electronic form with re-
14 spect to any request for disclosure of a tax-
15 payer’s return or return information under sec-
16 tion 6103(c) to a practitioner or any power of
17 attorney granted by a taxpayer to a practi-
18 tioner.

19 “(C) PRACTITIONER.—For purposes of
20 subparagraph (B), the term ‘practitioner’
21 means any individual in good standing who is
22 regulated under section 330 of title 31, United
23 States Code.”.

1 **SEC. 2303. PAYMENT OF TAXES BY DEBIT AND CREDIT**
2 **CARDS.**

3 Section 6311(d)(2) is amended by adding at the end
4 the following: “The preceding sentence shall not apply to
5 the extent that the Secretary ensures that any such fee
6 or other consideration is fully recouped by the Secretary
7 in the form of fees paid to the Secretary by persons paying
8 taxes imposed under subtitle A with credit, debit, or
9 charge cards pursuant to such contract. Notwithstanding
10 the preceding sentence, the Secretary shall seek to mini-
11 mize the amount of any fee or other consideration that
12 the Secretary pays under any such contract.”.

13 **SEC. 2304. REQUIREMENT THAT ELECTRONICALLY PRE-**
14 **PARED PAPER RETURNS INCLUDE SCAN-**
15 **NABLE CODE.**

16 (a) IN GENERAL.—Subsection (e) of section 6011, as
17 amended by this Act, is amended by adding at the end
18 the following new paragraph:

19 “(7) SPECIAL RULE FOR RETURNS PREPARED
20 ELECTRONICALLY AND SUBMITTED ON PAPER.—The
21 Secretary shall require that any return of tax which
22 is prepared electronically, but is printed and filed on
23 paper, bear a code which can, when scanned, convert
24 such return to electronic format.”.

1 (b) CONFORMING AMENDMENT.—Paragraph (1) of
2 section 6011(e) is amended by striking “paragraph (3)”
3 and inserting “paragraphs (3) and (7)”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to returns of tax the due date for
6 which (determined without regard to extensions) is after
7 December 31, 2020.

8 **SEC. 2305. AUTHENTICATION OF USERS OF ELECTRONIC**
9 **SERVICES ACCOUNTS.**

10 Beginning 180 days after the date of the enactment
11 of this Act, the Secretary of the Treasury (or the Sec-
12 retary’s delegate) shall verify the identity of any individual
13 opening an e-Services account with the Internal Revenue
14 Service before such individual is able to use the e-Services
15 tools.

16 **Subtitle E—Other Provisions**

17 **SEC. 2401. REPEAL OF PROVISION REGARDING CERTAIN**
18 **TAX COMPLIANCE PROCEDURES AND RE-**
19 **PORTS.**

20 Section 2004 of the Internal Revenue Service Re-
21 structuring and Reform Act of 1998 (26 U.S.C. 6012
22 note) is repealed.

23 **SEC. 2402. COMPREHENSIVE TRAINING STRATEGY.**

24 Not later than 1 year after the date of the enactment
25 of this Act, the Commissioner of Internal Revenue shall

1 submit to Congress a written report providing a com-
2 prehensive training strategy for employees of the Internal
3 Revenue Service, including—

4 (1) a plan to streamline current training proc-
5 esses, including an assessment of the utility of fur-
6 ther consolidating internal training programs, tech-
7 nology, and funding,

8 (2) a plan to develop annual training regarding
9 taxpayer rights, including the role of the Office of
10 the Taxpayer Advocate, for employees that interface
11 with taxpayers and their managers,

12 (3) a plan to improve technology-based training,

13 (4) proposals to—

14 (A) focus employee training on early, fair,
15 and efficient resolution of taxpayer disputes for
16 employees that interface with taxpayers and
17 their managers, and

18 (B) ensure consistency of skill development
19 and employee evaluation throughout the Inter-
20 nal Revenue Service, and

21 (5) a thorough assessment of the funding nec-
22 essary to implement such strategy.

1 **TITLE III—MISCELLANEOUS**
2 **PROVISIONS**
3 **Subtitle A—Reform of Laws Gov-**
4 **erning Internal Revenue Serv-**
5 **ice Employees**

6 **SEC. 3001. ELECTRONIC RECORD RETENTION.**

7 (a) RETENTION OF RECORDS.—

8 (1) IN GENERAL.—Email records of the Inter-
9 nal Revenue Service shall be retained in an appro-
10 priate electronic system that supports records man-
11 agement and litigation requirements, including the
12 capability to identify, retrieve, and retain the
13 records, in accordance with the requirements de-
14 scribed in paragraph (2).

15 (2) REQUIREMENTS.—

16 (A) PRIOR TO CERTIFICATION.—The Com-
17 missioner of Internal Revenue and the Chief
18 Counsel for the Internal Revenue Service shall
19 retain all email records generated on or after
20 the date of the enactment of this Act and be-
21 fore the date on which the Treasury Inspector
22 General for Tax Administration makes the cer-
23 tification under subsection (c)(1).

24 (B) PRINCIPAL OFFICERS AND SPECIFIED
25 EMPLOYEES.—Not later than December 31,

1 2019, the Commissioner of Internal Revenue
2 and the Chief Counsel for the Internal Revenue
3 Service shall maintain email records of all prin-
4 cipal officers and specified employees of the In-
5 ternal Revenue Service for a period of not less
6 than 15 years beginning on the date such
7 record was generated.

8 (b) TRANSMISSION OF RECORDS TO THE NATIONAL
9 ARCHIVES.—Not later than 15 years after the date on
10 which an email record of a principal officer or specified
11 employee of the Internal Revenue Service is generated, the
12 Commissioner of Internal Revenue and the Chief Counsel
13 for the Internal Revenue Service shall transfer such email
14 record to the Archivist of the United States.

15 (c) COMPLIANCE.—

16 (1) CERTIFICATION.—On the date that the
17 Treasury Inspector General for Tax Administration
18 determines that the Internal Revenue Service has a
19 program in place that complies with the require-
20 ments of subsections (a)(2)(B) and (b), the Treas-
21 ury Inspector General for Tax Administration shall
22 certify to the Committee on Ways and Means of the
23 House of Representatives and the Committee on Fi-
24 nance of the Senate that the Internal Revenue Serv-
25 ice is in compliance with such requirements.

1 (2) REPORTS.—

2 (A) INTERIM REPORT.—Not later than De-
3 cember 31, 2019, the Treasury Inspector Gen-
4 eral for Tax Administration shall submit a re-
5 port to the Committee on Ways and Means of
6 the House of Representatives and the Com-
7 mittee on Finance of the Senate on the steps
8 being taken by the Commissioner of Internal
9 Revenue and the Chief Counsel for the Internal
10 Revenue Service to comply with the require-
11 ments of subsections (a)(2)(B) and (b).

12 (B) FINAL REPORT.—Not later than April
13 1, 2020, the Treasury Inspector General for
14 Tax Administration shall submit a report to the
15 Committee on Ways and Means of the House of
16 Representatives and the Committee on Finance
17 of the Senate describing whether the Internal
18 Revenue Service is in compliance with the re-
19 quirements of subsections (a)(2)(B) and (b).

20 (d) DEFINITIONS.—For purposes of this section—

21 (1) PRINCIPAL OFFICER.—The term “principal
22 officer” means, with respect to the Internal Revenue
23 Service—

24 (A) any employee whose position is listed
25 under the Internal Revenue Service in the most

1 recent version of the United States Government
2 Manual published by the Office of the Federal
3 Register;

4 (B) any employee who is a senior staff
5 member reporting directly to the Commissioner
6 of Internal Revenue or the Chief Counsel for
7 the Internal Revenue Service; and

8 (C) any associate counsel, deputy counsel,
9 or division head in the Office of the Chief
10 Counsel for the Internal Revenue Service.

11 (2) SPECIFIED EMPLOYEE.—The term “speci-
12 fied employee” means, with respect to the Internal
13 Revenue Service, any employee who—

14 (A) holds a Senior Executive Service posi-
15 tion (as defined in section 3132 of title 5,
16 United States Code) in the Internal Revenue
17 Service or the Office of Chief Counsel for the
18 Internal Revenue Service; and

19 (B) is not a principal officer of the Inter-
20 nal Revenue Service.

1 **SEC. 3002. PROHIBITION ON REHIRING ANY EMPLOYEE OF**
2 **THE INTERNAL REVENUE SERVICE WHO WAS**
3 **INVOLUNTARILY SEPARATED FROM SERVICE**
4 **FOR MISCONDUCT.**

5 (a) IN GENERAL.—Section 7804 is amended by add-
6 ing at the end the following new subsection:

7 “(d) PROHIBITION ON REHIRING EMPLOYEES INVOL-
8 UNTARILY SEPARATED.—The Commissioner may not hire
9 any individual previously employed by the Commissioner
10 who was removed for misconduct under this subchapter
11 or chapter 43 or chapter 75 of title 5, United States Code,
12 or whose employment was terminated under section 1203
13 of the Internal Revenue Service Restructuring and Reform
14 Act of 1998 (26 U.S.C. 7804 note).”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 subsection (a) shall apply with respect to the hiring of em-
17 ployees after the date of the enactment of this Act.

18 **SEC. 3003. NOTIFICATION OF UNAUTHORIZED INSPECTION**
19 **OR DISCLOSURE OF RETURNS AND RETURN**
20 **INFORMATION.**

21 (a) IN GENERAL.—Subsection (e) of section 7431 is
22 amended by adding at the end the following new sen-
23 tences: “The Secretary shall also notify such taxpayer if
24 the Internal Revenue Service or a Federal or State agency
25 (upon notice to the Secretary by such Federal or State
26 agency) proposes an administrative determination as to

1 disciplinary or adverse action against an employee arising
2 from the employee's unauthorized inspection or disclosure
3 of the taxpayer's return or return information. The notice
4 described in this subsection shall include the date of the
5 unauthorized inspection or disclosure and the rights of the
6 taxpayer under such administrative determination.”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 this section shall apply to determinations proposed after
9 the date which is 180 days after the date of the enactment
10 of this Act.

11 **Subtitle B—Provisions Relating to** 12 **Exempt Organizations**

13 **SEC. 3101. MANDATORY E-FILING BY EXEMPT ORGANIZA-** 14 **TIONS.**

15 (a) IN GENERAL.—Section 6033 is amended by re-
16 designating subsection (n) as subsection (o) and by insert-
17 ing after subsection (m) the following new subsection:

18 “(n) MANDATORY ELECTRONIC FILING.—Any orga-
19 nization required to file a return under this section shall
20 file such return in electronic form.”.

21 (b) CONFORMING AMENDMENT.—Paragraph (7) of
22 section 527(j) is amended by striking “if the organization
23 has” and all that follows through “such calendar year”.

24 (c) INSPECTION OF ELECTRONICALLY FILED AN-
25 NUAL RETURNS.—Subsection (b) of section 6104 is

1 amended by adding at the end the following: “Any annual
2 return required to be filed electronically under section
3 6033(n) shall be made available by the Secretary to the
4 public as soon as practicable in a machine readable for-
5 mat.”.

6 (d) EFFECTIVE DATE.—

7 (1) IN GENERAL.—Except as provided in para-
8 graph (2), the amendments made by this section
9 shall apply to taxable years beginning after the date
10 of the enactment of this Act.

11 (2) TRANSITIONAL RELIEF.—

12 (A) SMALL ORGANIZATIONS.—

13 (i) IN GENERAL.—In the case of any
14 small organizations, or any other organiza-
15 tions for which the Secretary of the Treas-
16 ury or the Secretary’s delegate (hereafter
17 referred to in this paragraph as the “Sec-
18 retary”) determines the application of the
19 amendments made by this section would
20 cause undue burden without a delay, the
21 Secretary may delay the application of
22 such amendments, but such delay shall not
23 apply to any taxable year beginning on or
24 after the date 2 years after of the enact-
25 ment of this Act.

1 (ii) SMALL ORGANIZATION.—For pur-
2 poses of clause (i), the term “small organi-
3 zation” means any organization—

4 (I) the gross receipts of which for
5 the taxable year are less than
6 \$200,000; and

7 (II) the aggregate gross assets of
8 which at the end of the taxable year
9 are less than \$500,000.

10 (B) ORGANIZATIONS FILING FORM 990-
11 T.—In the case of any organization described
12 in section 511(a)(2) of the Internal Revenue
13 Code of 1986 which is subject to the tax im-
14 posed by section 511(a)(1) of such Code on its
15 unrelated business taxable income, or any orga-
16 nization required to file a return under section
17 6033 of such Code and include information
18 under subsection (e) thereof, the Secretary may
19 delay the application of the amendments made
20 by this section, but such delay shall not apply
21 to any taxable year beginning on or after the
22 date 2 years after of the enactment of this Act.

1 **SEC. 3102. NOTICE REQUIRED BEFORE REVOCATION OF**
2 **TAX EXEMPT STATUS FOR FAILURE TO FILE**
3 **RETURN.**

4 (a) IN GENERAL.—Section 6033(j)(1) is amended by
5 striking “If an organization” and inserting the following:

6 “(A) NOTICE.—

7 “(i) IN GENERAL.—After an organiza-
8 tion described in subsection (a)(1) or (i)
9 fails to file the annual return or notice re-
10 quired under either subsection for 2 con-
11 secutive years, the Secretary shall notify
12 the organization—

13 “(I) that the Internal Revenue
14 Service has no record of such a return
15 or notice from such organization for 2
16 consecutive years, and

17 “(II) about the revocation that
18 will occur under subparagraph (B) if
19 the organization fails to file such a re-
20 turn or notice by the due date for the
21 next such return or notice required to
22 be filed.

23 The notification under the preceding sen-
24 tence shall include information about how
25 to comply with the filing requirements
26 under subsection (a)(1) and (i).

1 “(B) REVOCATION.—If an organization”.

2 (b) EFFECTIVE DATE.—The amendment made by
3 this section shall apply to failures to file returns or notices
4 for 2 consecutive years if the return or notice for the sec-
5 ond year is required to be filed after December 31, 2018.

6 **Subtitle C—Tax Court**

7 **SEC. 3301. DISQUALIFICATION OF JUDGE OR MAGISTRATE**

8 **JUDGE OF THE TAX COURT.**

9 (a) IN GENERAL.—Part II of subchapter C of chap-
10 ter 76 is amended by adding at the end the following new
11 section:

12 **“SEC. 7467. DISQUALIFICATION OF JUDGE OR MAGISTRATE**

13 **JUDGE OF THE TAX COURT.**

14 “Section 455 of title 28, United States Code, shall
15 apply to judges and magistrate judges of the Tax Court
16 and to proceedings of the Tax Court.”.

17 (b) CLERICAL AMENDMENT.—The table of sections
18 for such part is amended by adding at the end the fol-
19 lowing new item:

“Sec. 7467. Disqualification of judge or magistrate judge of the Tax Court.”.

20 **SEC. 3302. OPINIONS AND JUDGMENTS.**

21 (a) IN GENERAL.—Section 7459 is amended by strik-
22 ing all the precedes subsection (c) and inserting the fol-
23 lowing:

1 **“SEC. 7459. OPINIONS AND JUDGMENTS.**

2 “(a) REQUIREMENT.—An opinion upon any pro-
3 ceeding instituted before the Tax Court and a judgment
4 thereon shall be made as quickly as practicable. The judg-
5 ment shall be made by a judge in accordance with the
6 opinion of the Tax Court, and such judgment so made
7 shall, when entered, be the judgment of the Tax Court.

8 “(b) INCLUSION OF FINDINGS OF FACT IN OPIN-
9 ION.—It shall be the duty of the Tax Court and of each
10 division to include in its opinion or memorandum opinion
11 upon any proceeding, its findings of fact. The Tax Court
12 shall issue in writing all of its findings of fact, opinions,
13 and memorandum opinions. Subject to such conditions as
14 the Tax Court may by rule provide, the requirements of
15 this subsection and of section 7460 are met if findings
16 of fact or opinion are stated orally and recorded in the
17 transcript of the proceedings.

18 “(c) REFERENCES.—Any reference in this title to a
19 decision or report of the Tax Court shall be treated as
20 a reference to a judgement or opinion of the Tax Court,
21 respectively.”.

22 (b) CONFORMING AMENDMENT.—The item relating
23 to section 7459 in the table of sections for part II of sub-
24 chapter C of chapter 76 is amended to read as follows:

“Sec. 7459. Opinions and judgments.”.

1 (c) CONTINUING EFFECT OF LEGAL DOCUMENTS.—

2 All orders, decisions, reports, rules, permits, agreements,
3 grants, contracts, certificates, licenses, registrations, privi-
4 leges, and other administrative actions, in connection with
5 the Tax Court, which are in effect at the time this section
6 takes effect, or were final before the effective date of this
7 section and are to become effective on or after the effective
8 date of this section, shall continue in effect according to
9 their terms until modified, terminated, superseded, set
10 aside, or revoked in accordance with law by the Tax Court.

11 **SEC. 3303. TITLE OF SPECIAL TRIAL JUDGE CHANGED TO**
12 **MAGISTRATE JUDGE OF THE TAX COURT.**

13 (a) IN GENERAL.—Section 7443A is amended—

14 (1) by striking “special trial judges” in sub-
15 sections (a) and (e) and inserting “magistrate
16 judges of the Tax Court”,

17 (2) by striking “special trial judges of the
18 court” in subsection (b) and inserting “magistrate
19 judges of the Tax Court”, and

20 (3) by striking “special trial judge” in sub-
21 sections (c) and (d) and inserting “magistrate judge
22 of the Tax Court”.

23 (b) CONFORMING AMENDMENTS.—

24 (1) The heading of section 7443A is amended
25 by striking “**SPECIAL TRIAL JUDGES**” and insert-

1 ing **“MAGISTRATE JUDGES OF THE TAX**
2 **COURT”**.

3 (2) The heading of section 7443A(b) is amend-
4 ed by striking “SPECIAL TRIAL JUDGES” and insert-
5 ing “MAGISTRATE JUDGES OF THE TAX COURT”.

6 (3) The item relating to section 7443A in the
7 table of sections for part I of subchapter C of chap-
8 ter 76 is amended to read as follows:

“Sec. 7443A. Magistrate judges of the Tax Court.”.

9 (4) The heading of section 7448 is amended by
10 striking **“SPECIAL TRIAL JUDGES”** and inserting
11 **“MAGISTRATE JUDGES OF THE TAX COURT”**.

12 (5) Section 7448 is amended—

13 (A) by striking “special trial judge’s” each
14 place it appears in subsections (a)(6), (c)(1),
15 (d), and (m)(1) and inserting “magistrate judge
16 of the Tax Court’s”, and

17 (B) by striking “special trial judge” each
18 place it appears other than in subsection (n)
19 and inserting “magistrate judge of the Tax
20 Court”.

21 (6) Section 7448(n) is amended—

22 (A) by striking “special trial judge which
23 are allowable” and inserting “magistrate judge
24 of the Tax Court which are allowable”, and

1 (B) by striking “special trial judge of the
2 Tax Court” both places it appears and inserting
3 “magistrate judge of the Tax Court”.

4 (7) The heading of section 7448(b)(2) is
5 amended by striking “SPECIAL TRIAL JUDGES” and
6 inserting “MAGISTRATE JUDGES OF THE TAX
7 COURT”.

8 (8) The item relating to section 7448 in the
9 table of sections for part I of subchapter C of chap-
10 ter 76 is amended to read as follows:

“Sec. 7448. Annuities to surviving spouses and dependent children of judges
and magistrate judges of the Tax Court.”.

11 (9) Section 7456(a) is amended—

12 (A) by striking “special trial judge” each
13 place it appears and inserting “magistrate
14 judge”, and

15 (B) by striking “(or by the clerk” and in-
16 serting “of the Tax Court (or by the clerk”.

17 (10) Section 7466(a) is amended by striking
18 “special trial judge” and inserting “magistrate
19 judge”.

20 (11) Section 7470A is amended by striking
21 “special trial judges” both places it appears in sub-
22 sections (a) and (b) and inserting “magistrate
23 judges”.

1 (12) Section 7471(a)(2)(A) is amended by
2 striking “special trial judges” and inserting “mag-
3 istrate judges”.

4 (13) Section 7471(c) is amended—

5 (A) by striking “SPECIAL TRIAL JUDGES”
6 in the heading and inserting “MAGISTRATE
7 JUDGES OF THE TAX COURT”, and

8 (B) by striking “special trial judges” and
9 inserting “magistrate judges”.

10 **SEC. 3304. REPEAL OF DEADWOOD RELATED TO BOARD OF**
11 **TAX APPEALS.**

12 (a) Section 7459 is amended by striking subsection
13 (f) and redesignating subsection (g) as subsection (f).

14 (b) Section 7447(a)(3) is amended to read as follows:

15 “(3) In any determination of length of service
16 as judge or as a judge of the Tax Court of the
17 United States there shall be included all periods
18 (whether or not consecutive) during which an indi-
19 vidual served as judge.”.

