

1 **DIVISION EE—TAXPAYER CER-**  
 2 **TAINTY AND DISASTER TAX**  
 3 **RELIEF ACT OF 2020**

4 **SEC. 1. SHORT TITLE; TABLE OF CONTENTS.**

5 (a) **SHORT TITLE.**—This division may be cited as the  
 6 “Taxpayer Certainty and Disaster Tax Relief Act of  
 7 2020”.

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

14 (c) **TABLE OF CONTENTS.**—The table of contents of  
 15 this division is as follows:

Sec. 1. Short title; table of contents.

**TITLE I—EXTENSION OF CERTAIN EXPIRING PROVISIONS**

**Subtitle A—Certain Provisions Made Permanent**

Sec. 101. Reduction in medical expense deduction floor.

Sec. 102. Energy efficient commercial buildings deduction.

Sec. 103. Benefits provided to volunteer firefighters and emergency medical re-  
 sponders.

Sec. 104. Transition from deduction for qualified tuition and related expenses  
 to increased income limitation on lifetime learning credit.

Sec. 105. Railroad track maintenance credit.

Sec. 106. Certain provisions related to beer, wine, and distilled spirits.

Sec. 107. Refunds in lieu of reduced rates for certain craft beverages produced  
 outside the United States.

Sec. 108. Reduced rates not allowed for smuggled or illegally produced beer,  
 wine, and spirits.

Sec. 109. Minimum processing requirements for reduced distilled spirits rates.

Sec. 110. Modification of single taxpayer rules.

**Subtitle B—Certain Provisions Extended Through 2025**

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- Sec. 111. Look-thru rule for related controlled foreign corporations.
- Sec. 112. New markets tax credit.
- Sec. 113. Work opportunity credit.
- Sec. 114. Exclusion from gross income of discharge of qualified principal residence indebtedness.
- Sec. 115. 7-year recovery period for motorsports entertainment complexes.
- Sec. 116. Expensing rules for certain productions.
- Sec. 117. Oil spill liability trust fund rate.
- Sec. 118. Empowerment zone tax incentives.
- Sec. 119. Employer credit for paid family and medical leave.
- Sec. 120. Exclusion for certain employer payments of student loans.
- Sec. 121. Extension of carbon oxide sequestration credit.

## Subtitle C—Extension of Certain Other Provisions

- Sec. 131. Credit for electricity produced from certain renewable resources.
- Sec. 132. Extension and phaseout of energy credit.
- Sec. 133. Treatment of mortgage insurance premiums as qualified residence interest.
- Sec. 134. Credit for health insurance costs of eligible individuals.
- Sec. 135. Indian employment credit.
- Sec. 136. Mine rescue team training credit.
- Sec. 137. Classification of certain race horses as 3-year property.
- Sec. 138. Accelerated depreciation for business property on Indian reservations.
- Sec. 139. American Samoa economic development credit.
- Sec. 140. Second generation biofuel producer credit.
- Sec. 141. Nonbusiness energy property.
- Sec. 142. Qualified fuel cell motor vehicles.
- Sec. 143. Alternative fuel refueling property credit.
- Sec. 144. 2-wheeled plug-in electric vehicle credit.
- Sec. 145. Production credit for Indian coal facilities.
- Sec. 146. Energy efficient homes credit.
- Sec. 147. Extension of excise tax credits relating to alternative fuels.
- Sec. 148. Extension of residential energy-efficient property credit and inclusion of biomass fuel property expenditures.
- Sec. 149. Black lung disability trust fund excise tax.

## TITLE II—OTHER PROVISIONS

- Sec. 201. Minimum low-income housing tax credit rate.
- Sec. 202. Depreciation of certain residential rental property over 30-year period.
- Sec. 203. Waste energy recovery property eligible for energy credit.
- Sec. 204. Extension of energy credit for offshore wind facilities.
- Sec. 205. Minimum rate of interest for certain determinations related to life insurance contracts.
- Sec. 206. Clarifications and technical improvements to CARES Act employee retention credit.
- Sec. 207. Extension and modification of employee retention and rehiring tax credit.
- Sec. 208. Minimum age for distributions during working retirement.
- Sec. 209. Temporary rule preventing partial plan termination.
- Sec. 210. Temporary allowance of full deduction for business meals.
- Sec. 211. Temporary special rule for determination of earned income.
- Sec. 212. Certain charitable contributions deductible by non-itemizers.
- Sec. 213. Modification of limitations on charitable contributions.

Sec. 214. Temporary special rules for health and dependent care flexible spending arrangements.

**TITLE III—DISASTER TAX RELIEF**

Sec. 301. Definitions.

Sec. 302. Special disaster-related rules for use of retirement funds.

Sec. 303. Employee retention credit for employers affected by qualified disasters.

Sec. 304. Other disaster-related tax relief provisions.

Sec. 305. Low-income housing tax credit.

Sec. 306. Treatment of certain possessions.

1                   **TITLE I—EXTENSION OF**  
2                   **CERTAIN EXPIRING PROVISIONS**  
3                   **Subtitle A—Certain Provisions**  
4                   **Made Permanent**

5                   **SEC. 101. REDUCTION IN MEDICAL EXPENSE DEDUCTION**  
6                   **FLOOR.**

7                   (a) **IN GENERAL.**—Section 213 is amended—

8                         (1) by striking “10 percent” in subsection (a)  
9                         and inserting “7.5 percent”, and

10                        (2) by striking subsection (f).

11                   (b) **EFFECTIVE DATE.**—The amendments made by  
12 this section shall apply to taxable years beginning after  
13 December 31, 2020.

14                   **SEC. 102. ENERGY EFFICIENT COMMERCIAL BUILDINGS DE-**  
15                   **DUCTION.**

16                   (a) **DEDUCTION MADE PERMANENT.**—Section 179D  
17 is amended by striking subsection (h).

18                   (b) **INFLATION ADJUSTMENT.**—Section 179D, as  
19 amended by subsection (a), is amended by redesignating

1 subsection (g) as subsection (h) and by inserting after  
2 subsection (f) the following new subsection:

3 “(g) INFLATION ADJUSTMENT.—In the case of a tax-  
4 able year beginning after 2020, each dollar amount in sub-  
5 section (b) or subsection (d)(1)(A) shall be increased by  
6 an amount equal to—

7 “(1) such dollar amount, multiplied by

8 “(2) the cost-of-living adjustment determined  
9 under section 1(f)(3) for the calendar year in which  
10 the taxable year begins, determined by substituting  
11 ‘calendar year 2019’ for ‘calendar year 2016’ in sub-  
12 paragraph (A)(ii) thereof.

13 Any increase determined under the preceding sentence  
14 which is not a multiple of 1 cent shall be rounded to the  
15 nearest cent.”.

16 (c) UPDATE OF STANDARDS.—

17 (1) ASHRAE STANDARDS.—Section 179D(c) is  
18 amended—

19 (A) in paragraphs (1)(B)(ii) and (1)(D),  
20 by striking “Standard 90.1–2007” and insert-  
21 ing “Reference Standard 90.1”, and

22 (B) by amending paragraph (2) to read as  
23 follows:

24 “(2) REFERENCE STANDARD 90.1.—The term  
25 ‘Reference Standard 90.1’ means, with respect to

1 any property, the most recent Standard 90.1 pub-  
2 lished by the American Society of Heating, Refrig-  
3 erating, and Air Conditioning Engineers and the Il-  
4 luminating Engineering Society of North America  
5 which has been affirmed by the Secretary, after con-  
6 sultation with the Secretary of Energy, for purposes  
7 of this section not later than the date that is 2 years  
8 before the date that construction of such property  
9 begins.”.

10 (2) CALIFORNIA NONRESIDENTIAL ALTER-  
11 NATIVE CALCULATION METHOD APPROVAL MAN-  
12 UAL.—Section 179D(d)(2) is amended by striking “,  
13 based on the provisions of the 2005 California Non-  
14 residential Alternative Calculation Method Approval  
15 Manual” and inserting “with respect to any prop-  
16 erty, based on the provisions of the most recent Cali-  
17 fornia Nonresidential Alternative Calculation Method  
18 Approval Manual which has been affirmed by the  
19 Secretary, after consultation with the Secretary of  
20 Energy, for purposes of this section not later than  
21 the date that is 2 years before the date that con-  
22 struction of such property begins”.

23 (d) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to property placed in service after  
25 December 31, 2020.

1 **SEC. 103. BENEFITS PROVIDED TO VOLUNTEER FIRE-**  
2 **FIGHTERS AND EMERGENCY MEDICAL RE-**  
3 **SPONDERS.**

4 (a) IN GENERAL.—Section 139B is amended by  
5 striking subsection (d).

6 (b) EFFECTIVE DATE.—The amendment made by  
7 this section shall apply to taxable years beginning after  
8 December 31, 2020.

9 **SEC. 104. TRANSITION FROM DEDUCTION FOR QUALIFIED**  
10 **TUITION AND RELATED EXPENSES TO IN-**  
11 **CREASED INCOME LIMITATION ON LIFETIME**  
12 **LEARNING CREDIT.**

13 (a) INCREASED INCOME LIMITATIONS FOR PHASE-  
14 OUT OF LIFETIME LEARNING CREDIT.—

15 (1) IN GENERAL.—Section 25A(d) is amended  
16 by striking paragraphs (1) and (2), by redesignating  
17 paragraph (3) as paragraph (2), and by inserting  
18 before paragraph (2) (as so redesignated) the fol-  
19 lowing new paragraph:

20 “(1) IN GENERAL.—The American Opportunity  
21 Tax Credit and the Lifetime Learning Credit shall  
22 each (determined without regard to this paragraph)  
23 be reduced (but not below zero) by the amount  
24 which bears the same ratio to each such credit (as  
25 so determined) as—

26 “(A) the excess of—

1                   “(i) the taxpayer’s modified adjusted  
2                   gross income for such taxable year, over

3                   “(ii) \$80,000 ( \$160,000 in the case  
4                   of a joint return), bears to

5                   “(B) \$10,000 ( \$20,000 in the case of a  
6                   joint return).”.

7                   (2) CONFORMING AMENDMENT.—Section 25A  
8                   is amended by striking subsection (h).

9                   (b) REPEAL OF DEDUCTION FOR QUALIFIED TUI-  
10                  TION AND RELATED EXPENSES.—

11                  (1) IN GENERAL.—Part VII of subchapter B of  
12                  chapter 1 is amended by striking section 222 (and  
13                  by striking the item relating to such section in the  
14                  table of sections for such part).

15                  (2) CONFORMING AMENDMENTS.—

16                  (A) Section 62(a) is amended by striking  
17                  paragraph (18).

18                  (B) Section 74(d)(2)(B) is amended by  
19                  striking “222,”.

20                  (C) Section 86(b)(2)(A) is amended by  
21                  striking “222,”.

22                  (D) Section 135(c)(4)(A) is amended by  
23                  striking “222,”.

24                  (E) Section 137(b)(3)(A) is amended by  
25                  striking “222,”.

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1 (F) Section 219(g)(3)(A)(ii) is amended by  
2 striking “222,”.

3 (G) Section 221(b)(2)(C)(i) is amended by  
4 striking “222,”.

5 (H) Section 469(i)(3)(E)(iii) is amended  
6 by striking “222,”.

7 (c) EFFECTIVE DATE.—The amendments made by  
8 this section shall apply to taxable years beginning after  
9 December 31, 2020.

10 **SEC. 105. RAILROAD TRACK MAINTENANCE CREDIT.**

11 (a) MADE PERMANENT.—Section 45G is amended by  
12 striking subsection (f).

13 (b) MODIFICATION OF CREDIT RATE.—Section  
14 45G(a) is amended by striking “50 percent” and inserting  
15 “40 percent (50 percent in the case of any taxable year  
16 beginning before January 1, 2023)”.

17 (c) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to taxable years ending after the  
19 date of the enactment of this Act.

20 **SEC. 106. CERTAIN PROVISIONS RELATED TO BEER, WINE,  
21 AND DISTILLED SPIRITS.**

22 (a) PRODUCTION PERIOD FOR BEER, WINE, AND  
23 DISTILLED SPIRITS.—

24 (1) IN GENERAL.—Section 263A(f)(4) is  
25 amended to read as follows:



1           “(4) EXEMPTION FOR AGING PROCESS OF  
2 BEER, WINE, AND DISTILLED SPIRITS.—For pur-  
3 poses of this subsection, the production period shall  
4 not include the aging period for—

5                   “(A) beer (as defined in section 5052(a)),

6                   “(B) wine (as described in section  
7 5041(a)), or

8                   “(C) distilled spirits (as defined in section  
9 5002(a)(8)), except such spirits that are unfit  
10 for use for beverage purposes.”.

11           (2) EFFECTIVE DATE.—The amendment made  
12 by this subsection shall apply to interest costs paid  
13 or accrued after December 31, 2020.

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

15                   (1) IN GENERAL.—Section 5051(a)(1) is  
16 amended to read as follows:

17                           “(1) IN GENERAL.—

18                                   “(A) IMPOSITION OF TAX.—A tax is here-  
19 by imposed on all beer brewed or produced, and  
20 removed for consumption or sale, within the  
21 United States, or imported into the United  
22 States. Except as provided in paragraph (2),  
23 the rate of such tax shall be—

24   “(i) \$16 on the first 6,000,000 barrels  
25 of beer—

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1                   “(I) brewed by the brewer and  
2                   removed during the calendar year for  
3                   consumption or sale, or

4                   “(II) imported by the importer  
5                   into the United States during the cal-  
6                   endar year, and

7                   “(ii) \$18 on any barrels of beer to  
8                   which clause (i) does not apply.

9                   “(B) BARREL.—For purposes of this sec-  
10                  tion, a barrel shall contain not more than 31  
11                  gallons of beer, and any tax imposed under this  
12                  section shall be applied at a like rate for any  
13                  other quantity or for fractional parts of a bar-  
14                  rel.”.

15                  (2) REDUCED RATE FOR CERTAIN DOMESTIC  
16                  PRODUCTION.—Section 5051(a)(2)(A) is amended—

17                         (A) in the heading, by inserting “ \$3.50 A  
18                         BARREL” before “RATE”, and

19                         (B) by striking “ \$7” and all that follows  
20                         through “January 1, 2021)” and inserting “  
21                         \$3.50”.

22                  (3) APPLICATION OF REDUCED TAX RATE FOR  
23                  FOREIGN MANUFACTURERS AND IMPORTERS.—Sec-  
24                  tion 5051(a) is amended—

1 (A) in paragraph (1)(A)(i)(II), as amended  
2 by paragraph (1) of this subsection, by insert-  
3 ing “but only if the importer is an electing im-  
4 porter under paragraph (4) and the barrels  
5 have been assigned to the importer pursuant to  
6 such paragraph” after “during the calendar  
7 year”, and

8 (B) in paragraph (4)—

9 (i) in subparagraph (A), by striking  
10 “paragraph (1)(C)” and inserting “para-  
11 graph (1)(A)”, and

12 (ii) in subparagraph (B), by striking  
13 “The Secretary” and inserting “The Sec-  
14 retary, after consultation with the Sec-  
15 retary of the Department of Homeland Se-  
16 curity,”.

17 (4) CONTROLLED GROUP AND SINGLE TAX-  
18 PAYER RULES.—Section 5051(a)(5) is amended by  
19 striking “paragraph (1)(C)(i)” each place it appears  
20 and inserting “paragraph (1)(A)(i)”.

21 (5) EFFECTIVE DATE.—The amendments made  
22 by this subsection shall apply to beer removed after  
23 December 31, 2020.

24 (c) TRANSFER OF BEER BETWEEN BONDED FACILI-  
25 TIES.—

1           (1) IN GENERAL.—Section 5414 is amended to  
2           read as follows:

3   **“SEC. 5414. TRANSFER OF BEER BETWEEN BONDED FACILI-**  
4                           **TIES.**

5           “(a) IN GENERAL.—Beer may be removed from one  
6           brewery to another brewery, without payment of tax, and  
7           may be mingled with beer at the receiving brewery, subject  
8           to such conditions, including payment of the tax, and in  
9           such containers, as the Secretary by regulations shall pre-  
10          scribe, which shall include—

11                   “(1) any removal from one brewery to another  
12           brewery belonging to the same brewer,

13                   “(2) any removal from a brewery owned by one  
14           corporation to a brewery owned by another corpora-  
15           tion when—

16                           “(A) one such corporation owns the con-  
17           trolling interest in the other such corporation,  
18           or

19                           “(B) the controlling interest in each such  
20           corporation is owned by the same person or per-  
21           sons, and

22                   “(3) any removal from one brewery to another  
23           brewery when—

24                           “(A) the proprietors of transferring and  
25           receiving premises are independent of each

1 other and neither has a proprietary interest, di-  
2 rectly or indirectly, in the business of the other,  
3 and

4 “(B) the transferor has divested itself of  
5 all interest in the beer so transferred and the  
6 transferee has accepted responsibility for pay-  
7 ment of the tax.

8 “(b) TRANSFER OF LIABILITY FOR TAX.—For pur-  
9 poses of subsection (a)(3), such relief from liability shall  
10 be effective from the time of removal from the transferor’s  
11 premises, or from the time of divestment of interest,  
12 whichever is later.”.

13 (2) EFFECTIVE DATE.—The amendment made  
14 by this subsection shall apply to any calendar quar-  
15 ters beginning after December 31, 2020.

16 (d) REDUCED RATE OF EXCISE TAX ON CERTAIN  
17 WINE.—

18 (1) IN GENERAL.—Section 5041(c) is amend-  
19 ed—

20 (A) in the heading, by striking “FOR  
21 SMALL DOMESTIC PRODUCERS”,

22 (B) by amending paragraph (1) to read as  
23 follows:

24 “(1) ALLOWANCE OF CREDIT.—

2416

1           “(A) IN GENERAL.—There shall be allowed  
2 as a credit against any tax imposed by this title  
3 (other than chapters 2, 21, and 22) an amount  
4 equal to the sum of—

5                   “(i) \$1 per wine gallon on the first  
6 30,000 wine gallons of wine, plus

7                   “(ii) 90 cents per wine gallon on the  
8 first 100,000 wine gallons of wine to which  
9 clause (i) does not apply, plus

10                   “(iii) 53.5 cents per wine gallon on  
11 the first 620,000 wine gallons of wine to  
12 which clauses (i) and (ii) do not apply,

13 which are produced by the producer and re-  
14 moved during the calendar year for consump-  
15 tion or sale, or which are imported by the im-  
16 porter into the United States during the cal-  
17 endar year.

18           “(B) ADJUSTMENT OF CREDIT FOR HARD  
19 CIDER.—In the case of wine described in sub-  
20 section (b)(6), subparagraph (A) of this para-  
21 graph shall be applied—

22                   “(i) in clause (i) of such subpara-  
23 graph, by substituting ‘6.2 cents’ for ‘ \$1’,

1                   “(ii) in clause (ii) of such subpara-  
2                   graph, by substituting ‘5.6 cents’ for ‘90  
3                   cents’, and

4                   “(iii) in clause (iii) of such subpara-  
5                   graph, by substituting ‘3.3 cents’ for ‘53.5  
6                   cents’.”,

7                   (C) by striking paragraphs (2) and (8),

8                   (D) by redesignating paragraphs (3)  
9                   through (6) as paragraphs (2) through (5), re-  
10                  spectively,

11                  (E) by redesignating paragraph (9) as  
12                  paragraph (6), and

13                  (F) by amending paragraph (7) to read as  
14                  follows:

15                  “(7) REGULATIONS.—The Secretary may pre-  
16                  scribe such regulations as may be necessary to carry  
17                  out the purposes of this subsection, including regula-  
18                  tions to ensure proper calculation of the credit pro-  
19                  vided in this subsection.”.

20                  (2) ALLOWANCE OF CREDIT FOR FOREIGN MAN-  
21                  UFACTURERS AND IMPORTERS.—Section 5041(c), as  
22                  amended by paragraph (1), is amended—

23                  (A) in paragraph (1)(A), by inserting “but  
24                  only if the importer is an electing importer  
25                  under paragraph (6) and the wine gallons of

1 wine have been assigned to the importer pursu-  
2 ant to such paragraph” after “into the United  
3 States during the calendar year”, and

4 (B) in paragraph (6)—

5 (i) in subparagraph (A), by striking  
6 “paragraph (8)” and inserting “paragraph  
7 (1)”,

8 (ii) in subparagraph (B), by striking  
9 “The Secretary” and inserting “The Sec-  
10 retary of the Treasury, after consultation  
11 with the Secretary of the Department of  
12 Homeland Security,”, and

13 (iii) in subparagraph (C), by striking  
14 “paragraph (4)” and inserting “paragraph  
15 (3)”.

16 (3) EFFECTIVE DATE.—The amendments made  
17 by this subsection shall apply to wine removed after  
18 December 31, 2020.

19 (e) ADJUSTMENT OF ALCOHOL CONTENT LEVEL FOR  
20 APPLICATION OF EXCISE TAX RATES.—

21 (1) IN GENERAL.—Paragraphs (1) and (2) of  
22 section 5041(b) are each amended by striking “14  
23 percent” and all that follows through “January 1,  
24 2021” and inserting “16 percent”.



1           (2) EFFECTIVE DATE.—The amendments made  
2           by this subsection shall apply to wine removed after  
3           December 31, 2020.

4           (f) DEFINITION OF MEAD AND LOW ALCOHOL BY  
5 VOLUME WINE.—

6           (1) IN GENERAL.—Section 5041(h) is amend-  
7           ed—

8                   (A) in paragraph (2), by striking “the Sec-  
9                   retary shall” each place it appears and insert-  
10                   ing “the Secretary may”, and

11                   (B) by striking paragraph (3).

12           (2) EFFECTIVE DATE.—The amendments made  
13           by this subsection shall apply to wine removed after  
14           December 31, 2020.

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

17           (1) IN GENERAL.—Section 5001(c) is amend-  
18           ed—

19                   (A) in the heading, by striking “TEM-  
20                   PORARY REDUCED RATE” and inserting “RE-  
21                   DUCED RATE”,

22                   (B) in paragraph (3)(B), by striking “The  
23                   Secretary” and inserting “The Secretary of the  
24                   Treasury, after consultation with the Secretary  
25                   of the Department of Homeland Security,” and

1 (C) by striking paragraph (4).

2 (2) EFFECTIVE DATE.—The amendments made  
3 by this subsection shall apply to distilled spirits re-  
4 moved after December 31, 2020.

5 (h) BULK DISTILLED SPIRITS.—

6 (1) IN GENERAL.—Section 5212 is amended by  
7 striking “and before January 1, 2021,” and insert-  
8 ing “between bonded premises belonging to the same  
9 person or members of the same controlled group  
10 (within the meaning of section 5001(c)(2))”.

11 (2) NON-BULK TRANSFERS RELATED TO BOT-  
12 TLING OR STORAGE.—Section 5212 is amended by  
13 adding at the end the following new sentence: “In  
14 the case of distilled spirits transferred in bond from  
15 the person who distilled or processed such distilled  
16 spirits (hereinafter referred to as ‘transferor’) to an-  
17 other person for bottling or storage of such distilled  
18 spirits, and returned to the transferor for removal,  
19 this section shall be applied without regard to  
20 whether distilled spirits are bulk distilled spirits, but  
21 only if the transferor retains title during the entire  
22 period between such distillation, or processing, and  
23 removal.”.

1           (3) EFFECTIVE DATE.—The amendments made  
2           by this subsection shall apply to distilled spirits  
3           transferred in bond after December 31, 2020.

4           (i) SIMPLIFICATION OF RULES REGARDING  
5 RECORDS, STATEMENTS, AND RETURNS.—

6           (1) IN GENERAL.—Section 5555(a) is amended  
7           by striking “For calendar quarters beginning after  
8           the date of the enactment of this sentence, and be-  
9           fore January 1, 2021, the Secretary” and inserting  
10          “The Secretary”.

11          (2) EFFECTIVE DATE.—The amendment made  
12          by this subsection shall apply to calendar quarters  
13          beginning after December 31, 2020.

14 **SEC. 107. REFUNDS IN LIEU OF REDUCED RATES FOR CER-**  
15 **TAIN CRAFT BEVERAGES PRODUCED OUT-**  
16 **SIDE THE UNITED STATES.**

17          (a) DISTILLED SPIRITS.—

18          (1) IN GENERAL.—Section 5001(c), as amended  
19          by the preceding provisions of this Act, is amended  
20          by adding at the end the following new paragraph:

21                 “(4) REFUNDS IN LIEU OF REDUCED RATES  
22                 FOR FOREIGN PRODUCTION REMOVED AFTER DE-  
23                 CEMBER 31, 2022.—

24                         “(A) IN GENERAL.—In the case of any  
25                         proof gallons of distilled spirits which have been

1 produced outside the United States and im-  
2 ported into the United States, if such proof gal-  
3 lons of distilled spirits are removed after De-  
4 cember 31, 2022—

5 “(i) paragraph (1) shall not apply,  
6 and

7 “(ii) the amount determined under  
8 subparagraph (B) shall be allowed as a re-  
9 fund, determined for periods not less fre-  
10 quently than quarterly, to the importer in  
11 the same manner as if such amount were  
12 an overpayment of tax imposed by this sec-  
13 tion.

14 “(B) AMOUNT OF REFUND.—The amount  
15 determined under this subparagraph with re-  
16 spect to any importer for any period is an  
17 amount equal to the sum of—

18 “(i) the excess (if any) of—

19 “(I) the amount of tax imposed  
20 under this subpart on proof gallons of  
21 distilled spirits referred to in subpara-  
22 graph (A) which were removed during  
23 such period, over

24 “(II) the amount of tax which  
25 would have been imposed under this

1                   subpart on such proof gallons of dis-  
2                   tilled spirits if this section were ap-  
3                   plied without regard to this para-  
4                   graph, plus

5                   “(ii) the amount of interest which  
6                   would be allowed and paid on an overpay-  
7                   ment of tax at the overpayment rate estab-  
8                   lished under section 6621(a)(1) (without  
9                   regard to the second sentence thereof)  
10                  were such rate applied to the excess (if  
11                  any) determined under clause (i) for the  
12                  number of days in the filing period for  
13                  which the refund under this paragraph is  
14                  being determined.

15                  “(C) APPLICATION OF RULES RELATED TO  
16                  ELECTIONS AND ASSIGNMENTS.—Subparagraph  
17                  (A)(ii) shall apply only if the importer is an  
18                  electing importer under paragraph (3) and the  
19                  proof gallons of distilled spirits have been as-  
20                  signed to the importer pursuant to such para-  
21                  graph.

22                  “(D) RULES FOR REFUNDS WITHIN 90  
23                  DAYS.—For purposes of refunds allowed under  
24                  this paragraph, section 6611(e) shall be applied

1           by substituting ‘90 days’ for ‘45 days’ each  
2           place it appears.”.

3           (2) COORDINATION WITH DETERMINATION FOR  
4           COVER OVER TO PUERTO RICO AND VIRGIN IS-  
5           LANDS.—

6                   (A) IN GENERAL.—Section 7652 is amend-  
7           ed by adding at the end the following new sub-  
8           section:

9           “(i) DETERMINATION OF TAXES COLLECTED.—For  
10          purposes of subsections (a)(3), (b)(3), and (e)(1), refunds  
11          under section 5001(c)(4) shall not be taken into account  
12          as a refund, and the amount of taxes imposed by and col-  
13          lected under section 5001(a)(1) shall be determined with-  
14          out regard to section 5001(c).”.

15                   (B) CONFORMING AMENDMENT.—Section  
16          7652(e) is amended by striking paragraph (5).

17           (3) EFFECTIVE DATE.—The amendments made  
18          by this subsection shall apply to distilled spirits  
19          brought into the United States and removed after  
20          December 31, 2022.

21          (b) BEER.—

22                   (1) IN GENERAL.—Section 5051(a) is amended  
23          by adding at the end the following new paragraph:

1           “(6) REFUNDS IN LIEU OF REDUCED RATES  
2           FOR FOREIGN PRODUCTION REMOVED AFTER DE-  
3           CEMBER 31, 2022.—

4           “(A) IN GENERAL.—In the case of any  
5           barrels of beer which have been produced out-  
6           side the United States and imported into the  
7           United States, if such barrels of beer are re-  
8           moved after December 31, 2022—

9                   “(i) paragraph (1)(A)(i) shall not  
10                  apply, and

11                   “(ii) the amount determined under  
12                  subparagraph (B) shall be allowed as a re-  
13                  fund, determined for periods not less fre-  
14                  quently than quarterly, to the importer in  
15                  the same manner as if such amount were  
16                  an overpayment of tax imposed by this sec-  
17                  tion.

18           “(B) AMOUNT OF REFUND.—The amount  
19           determined under this subparagraph with re-  
20           spect to any importer for any period is an  
21           amount equal to the sum of—

22                   “(i) excess (if any) of—

23                           “(I) the amount of tax imposed  
24                           under this section on barrels of beer

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1 referred to in subparagraph (A) which  
2 were removed during such period, over

3 “(II) the amount of tax which  
4 would have been imposed under this  
5 section on such barrels of beer if this  
6 section were applied without regard to  
7 this paragraph, plus

8 “(ii) the amount of interest which  
9 would be allowed and paid on an overpay-  
10 ment of tax at the overpayment rate estab-  
11 lished under section 6621(a)(1) (without  
12 regard to the second sentence thereof)  
13 were such rate applied to the excess (if  
14 any) determined under clause (i) for the  
15 number of days in the filing period for  
16 which the refund under this paragraph is  
17 being determined.

18 “(C) APPLICATION OF RULES RELATED TO  
19 ELECTIONS AND ASSIGNMENTS.—Subparagraph  
20 (A)(ii) shall apply only if the importer is an  
21 electing importer under paragraph (4) and the  
22 barrels of beer have been assigned to the im-  
23 porter pursuant to such paragraph.

24 “(D) RULES FOR REFUNDS WITHIN 90  
25 DAYS.—For purposes of refunds allowed under



1           this paragraph, section 6611(e) shall be applied  
2           by substituting ‘90 days’ for ‘45 days’ each  
3           place it appears.”.

4           (2) EFFECTIVE DATE.—The amendment made  
5           by this subsection shall apply to beer removed after  
6           December 31, 2022.

7           (c) WINE.—

8           (1) IN GENERAL.—Section 5041(c), as amended  
9           by the preceding provisions of this Act, is amended  
10          by redesignating paragraph (7) as paragraph (8)  
11          and by inserting after paragraph (6) the following  
12          new paragraph:

13           “(7) REFUNDS IN LIEU OF TAX CREDITS FOR  
14          FOREIGN PRODUCTION REMOVED AFTER DECEMBER  
15          31, 2022.—

16           “(A) IN GENERAL.—In the case of any  
17          wine gallons of wine which have been produced  
18          outside the United States and imported into the  
19          United States, if such wine gallons are removed  
20          after December 31, 2022—

21           “(i) paragraph (1) shall not apply,  
22          and

23           “(ii) the amount determined under  
24          subparagraph (B) shall be allowed as a re-  
25          fund, determined for periods not less fre-

1                   quently than quarterly, to the importer in  
2                   the same manner as if such amount were  
3                   an overpayment of tax imposed by this sec-  
4                   tion.

5                   “(B) AMOUNT OF REFUND.—The amount  
6                   determined under this subparagraph with re-  
7                   spect to any importer for any period is an  
8                   amount equal to the sum of—

9                   “(i) excess (if any) of—

10                   “(I) the amount of tax imposed  
11                   under this section on wine gallons of  
12                   wine referred to in subparagraph (A)  
13                   which were removed during such pe-  
14                   riod, over

15                   “(II) the amount of tax which  
16                   would have been imposed under this  
17                   section (including any allowable cred-  
18                   its) on such gallons of wine if this sec-  
19                   tion were applied without regard to  
20                   this paragraph, plus

21                   “(ii) the amount of interest which  
22                   would be allowed and paid on an overpay-  
23                   ment of tax at the overpayment rate estab-  
24                   lished under section 6621(a)(1) (without  
25                   regard to the second sentence thereof)

1           were such rate applied to the excess (if  
2           any) determined under clause (i) for the  
3           number of days in the filing period for  
4           which the refund under this paragraph is  
5           being determined.

6           “(C) APPLICATION OF RULES RELATED TO  
7           ELECTIONS AND ASSIGNMENTS.—Subparagraph  
8           (A)(ii) shall apply only if the importer is an  
9           electing importer under paragraph (6) and the  
10          wine gallons of wine have been assigned to the  
11          importer pursuant to such paragraph.

12          “(D) RULES FOR REFUNDS WITHIN 90  
13          DAYS.—For purposes of refunds allowed under  
14          this paragraph, section 6611(e) shall be applied  
15          by substituting ‘90 days’ for ‘45 days’ each  
16          place it appears.”.

17          (2) EFFECTIVE DATE.—The amendments made  
18          by this subsection shall apply to wine removed after  
19          December 31, 2022.

20          (d) INFORMATION REPORTING IN CASE OF ASSIGN-  
21          MENT OF LOWER RATES OR REFUNDS BY FOREIGN PRO-  
22          DUCERS OF BEER, WINE, AND DISTILLED SPIRITS.—

23                 (1) IN GENERAL.—Subpart A of part III of  
24                 subchapter A of chapter 61 is amended by inserting  
25                 after section 6038D the following new section:

1 **“SEC. 6038E. INFORMATION WITH RESPECT TO ASSIGN-**  
2 **MENT OF LOWER RATES OR REFUNDS BY**  
3 **FOREIGN PRODUCERS OF BEER, WINE, AND**  
4 **DISTILLED SPIRITS.**

5 “Any foreign producer that elects to make an assign-  
6 ment described in section 5001(c), 5041(c), or 5051(a)  
7 shall provide such information, at such time and in such  
8 manner, as the Secretary may prescribe in order to make  
9 such assignment, including information about the con-  
10 trolled group structure of such foreign producer.”.

11 (2) CLERICAL AMENDMENT.—Table of sections  
12 for subpart A of part III of subchapter A of chapter  
13 61 is amended by inserting after the item relating  
14 to section 6038D the following new item:

“Sec. 6038E. Information with respect to assignment of lower rates or refunds  
by foreign producers of beer, wine, and distilled spirits.”.

15 (3) EFFECTIVE DATE.—The amendments made  
16 by this subsection shall apply to elections to make  
17 an assignment under section 5001(c), 5041(c), or  
18 5051(a) of the Internal Revenue Code of 1986 after  
19 December 31, 2020.

20 (e) ADMINISTRATION OF REFUNDS.—The Secretary  
21 of the Treasury (or the Secretary’s delegate within the De-  
22 partment of the Treasury) shall implement and administer  
23 sections 5001(c)(4), 5041(c)(7), and 5051(a)(6) of the In-  
24 ternal Revenue Code of 1986, as added by this Act, in

1 coordination with the United States Customs and Border  
2 Protection of the Department of Homeland Security.

3 (f) REGULATIONS.—The Secretary of the Treasury  
4 (or the Secretary’s delegate within the Department of the  
5 Treasury) shall prescribe such regulations as may be nec-  
6 essary or appropriate to carry out the purposes of this  
7 section, including regulations to require foreign producers  
8 to provide information necessary to enforce the volume  
9 limitations under sections 5001(c), 5041(c), and 5051(a)  
10 of such Code.

11 (g) REPORT.—Not later than 180 days after the date  
12 of the enactment of this Act, the Secretary of the Treasury  
13 (or the Secretary’s delegate within the Department of the  
14 Treasury) shall, in coordination with the United States  
15 Customs and Border Protection of the Department of  
16 Homeland Security, prepare, submit to Congress, and  
17 make publicly available a report detailing the plans for im-  
18 plementing and administering sections 5001(c)(4),  
19 5041(c)(7), and 5051(a)(6) of such Code, as added by this  
20 Act.

21 **SEC. 108. REDUCED RATES NOT ALLOWED FOR SMUGGLED**  
22 **OR ILLEGALLY PRODUCED BEER, WINE, AND**  
23 **SPIRITS.**

24 (a) IN GENERAL.—Subpart E of part I of subchapter  
25 A of chapter 51 is amended by redesignating section 5067



1 **SEC. 109. MINIMUM PROCESSING REQUIREMENTS FOR RE-**  
2 **DUCTED DISTILLED SPIRITS RATES.**

3 (a) IN GENERAL.—Section 5001(c), as amended by  
4 the preceding provisions of this Act, is amended by adding  
5 at the end the following:

6 “(5) PROCESSED DISTILLED SPIRITS.—A dis-  
7 tilled spirit shall not be treated as processed for pur-  
8 poses of this subsection unless a process described in  
9 section 5002(a)(5)(A) (other than bottling) is per-  
10 formed with respect to such distilled spirit.”.

11 (b) EFFECTIVE DATE.—The amendment made by  
12 this section shall apply to distilled spirits removed after  
13 December 31, 2021.

14 **SEC. 110. MODIFICATION OF SINGLE TAXPAYER RULES.**

15 (a) BEER.—Section 5051(a)(5)(C) is amended by  
16 striking “marketed under a similar brand, license” and  
17 inserting “under a license”.

18 (b) WINE.—For single taxpayer rules relating to  
19 wine, see cross reference under section 5041(c)(3) of the  
20 Internal Revenue Code of 1986, as redesignated by this  
21 Act.

22 (c) DISTILLED SPIRITS.—

23 (1) IN GENERAL.—Section 5001(c)(2)(D) is  
24 amended by striking “marketed under a similar  
25 brand, license” and inserting “under a license”.

1           (2) APPLICATION TO PROCESSORS.—Section  
2           5001(c)(2)(D) is further amended by inserting “or  
3           process” after “that produce”.

4           (d) EFFECTIVE DATE.—The amendments made by  
5           this section shall apply to beer, wine, and distilled spirits  
6           removed after December 31, 2020.

## 7           **Subtitle B—Certain Provisions** 8           **Extended Through 2025**

### 9           **SEC. 111. LOOK-THRU RULE FOR RELATED CONTROLLED** 10           **FOREIGN CORPORATIONS.**

11           (a) IN GENERAL.—Section 954(c)(6)(C) is amended  
12           by striking “January 1, 2021” and inserting “January 1,  
13           2026”.

14           (b) EFFECTIVE DATE.—The amendment made by  
15           this section shall apply to taxable years of foreign corpora-  
16           tions beginning after December 31, 2020, and to taxable  
17           years of United States shareholders with or within which  
18           such taxable years of foreign corporations end.

### 19           **SEC. 112. NEW MARKETS TAX CREDIT.**

20           (a) IN GENERAL.—Section 45D(f)(1)(H) is amended  
21           by striking “2020” and inserting “for each of calendar  
22           years 2020 through 2025”.

23           (b) CARRYOVER OF UNUSED LIMITATION.—Section  
24           45D(f)(3) is amended by striking “2025” and inserting  
25           “2030”.



1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to calendar years beginning after  
3 December 31, 2020.

4 **SEC. 113. WORK OPPORTUNITY CREDIT.**

5 (a) IN GENERAL.—Section 51(c)(4) is amended by  
6 striking “December 31, 2020” and inserting “December  
7 31, 2025”.

8 (b) EFFECTIVE DATE.—The amendment made by  
9 this section shall apply to individuals who begin work for  
10 the employer after December 31, 2020.

11 **SEC. 114. EXCLUSION FROM GROSS INCOME OF DISCHARGE**  
12 **OF QUALIFIED PRINCIPAL RESIDENCE IN-**  
13 **DEBTEDNESS.**

14 (a) IN GENERAL.—Section 108(a)(1)(E) is amended  
15 by striking “January 1, 2021” both places it appears and  
16 inserting “January 1, 2026”.

17 (b) MODIFICATION OF MAXIMUM ACQUISITION IN-  
18 DEBTEDNESS TAKEN INTO ACCOUNT.—Section 108(h)(2)  
19 is amended by striking “ \$2,000,000 ( \$1,000,000” and  
20 inserting “ \$750,000 ( \$375,000”.

21 (c) EFFECTIVE DATE.—The amendments made by  
22 this section shall apply to discharges of indebtedness after  
23 December 31, 2020.

1 **SEC. 115. 7-YEAR RECOVERY PERIOD FOR MOTORSPORTS**  
2 **ENTERTAINMENT COMPLEXES.**

3 (a) IN GENERAL.—Section 168(i)(15)(D) is amended  
4 by striking “December 31, 2020” and inserting “Decem-  
5 ber 31, 2025”.

6 (b) EFFECTIVE DATE.—The amendment made by  
7 this section shall apply to property placed in service after  
8 December 31, 2020.

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

10 (a) EXTENSION.—Section 181(g) is amended by  
11 striking “December 31, 2020” and inserting “December  
12 31, 2025”.

13 (b) EFFECTIVE DATE.—The amendment made by  
14 this section shall apply to productions commencing after  
15 December 31, 2020.

16 **SEC. 117. OIL SPILL LIABILITY TRUST FUND RATE.**

17 (a) IN GENERAL.—Section 4611(f)(2) is amended by  
18 striking “December 31, 2020” and inserting “December  
19 31, 2025”.

20 (b) EFFECTIVE DATE.—The amendment made by  
21 this section shall apply on and after January 1, 2021.

22 **SEC. 118. EMPOWERMENT ZONE TAX INCENTIVES.**

23 (a) IN GENERAL.—Section 1391(d)(1)(A)(i) is  
24 amended by striking “December 31, 2020” and inserting  
25 “December 31, 2025”.

1 (b) TERMINATION OF INCREASE IN EXPENSING  
2 UNDER SECTION 179.—Section 1397A is amended by  
3 adding at the end the following new subsection:

4 “(c) TERMINATION.—This section shall not apply to  
5 any property placed in service in taxable years beginning  
6 after December 31, 2020.”.

7 (c) TERMINATION OF NONRECOGNITION OF GAIN ON  
8 ROLLOVER OF EMPOWERMENT ZONE INVESTMENTS.—  
9 Section 1397B is amended by adding at the end the fol-  
10 lowing new subsection:

11 “(c) TERMINATION.—This section shall not apply to  
12 sales in taxable years beginning after December 31,  
13 2020.”.

14 (d) 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-

1 ner as the Secretary of the Treasury (or the Secretary's  
2 designee) may provide.

3 (e) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2020.

6 **SEC. 119. EMPLOYER CREDIT FOR PAID FAMILY AND MED-**  
7 **ICAL LEAVE.**

8 (a) IN GENERAL.—Section 45S(i) is amended by  
9 striking “December 31, 2020” and inserting “December  
10 31, 2025”.

11 (b) EFFECTIVE DATE.—The amendment made by  
12 this section shall apply to wages paid in taxable years be-  
13 ginning after December 31, 2020.

14 **SEC. 120. EXCLUSION FOR CERTAIN EMPLOYER PAYMENTS**  
15 **OF STUDENT LOANS.**

16 (a) IN GENERAL.—Section 127(c)(1)(B) is amended  
17 by striking “January 1, 2021” and inserting “January 1,  
18 2026”.

19 (b) EFFECTIVE DATE.—The amendment made by  
20 this section shall apply to payments made after December  
21 31, 2020.

22 **SEC. 121. EXTENSION OF CARBON OXIDE SEQUESTRATION**  
23 **CREDIT.**

24 Section 45Q(d)(1) is amended by striking “January  
25 1, 2024” and inserting “January 1, 2026”.

1       **Subtitle C—Extension of Certain**  
2                                   **Other Provisions**

3       **SEC. 131. CREDIT FOR ELECTRICITY PRODUCED FROM**  
4                                   **CERTAIN RENEWABLE RESOURCES.**

5           (a) IN GENERAL.—The following provisions of sec-  
6 tion 45(d) are each amended by striking “January 1,  
7 2021” each place it appears and inserting “January 1,  
8 2022”:

9                   (1) Paragraph (1).

10                   (2) Paragraph (2)(A).

11                   (3) Paragraph (3)(A).

12                   (4) Paragraph (4)(B).

13                   (5) Paragraph (6).

14                   (6) Paragraph (7).

15                   (7) Paragraph (9).

16                   (8) Paragraph (11)(B).

17           (b) EXTENSION OF ELECTION TO TREAT QUALIFIED  
18 FACILITIES AS ENERGY PROPERTY.—Section  
19 48(a)(5)(C)(ii) is amended by striking “January 1, 2021”  
20 and inserting “January 1, 2022”.

21           (c) CONFORMING AMENDMENTS RELATED TO APPLI-  
22 CATION OF PHASEOUT PERCENTAGE.—

23                   (1) Section 45(b)(5)(D) is amended by striking  
24 “January 1, 2021” and inserting “January 1,  
25 2022”.

1           (2) Section 48(a)(5)(E)(iv) is amended by strik-  
2           ing “January 1, 2021” and inserting “January 1,  
3           2022”.

4           (d) EFFECTIVE DATE.—The amendments made by  
5           this section shall take effect on January 1, 2021.

6   **SEC. 132. EXTENSION AND PHASEOUT OF ENERGY CREDIT.**

7           (a) EXTENSIONS.—Section 48 is amended—

8           (1) in subsection (a)—

9           (A) in paragraph (2)(A)(i)(II), by striking  
10           “January 1, 2022” and inserting “January 1,  
11           2024”, and

12           (B) in paragraph (3)(A)—

13           (i) in clause (ii), by striking “January  
14           1, 2022” and inserting “January 1,  
15           2024”, and

16           (ii) in clause (vii), by striking “Janu-  
17           ary 1, 2022” and inserting “January 1,  
18           2024”, and

19           (2) in subsection (c)—

20           (A) in paragraph (1)(D), by striking “Jan-  
21           uary 1, 2022” and inserting “January 1,  
22           2024”,

23           (B) in paragraph (2)(D), by striking “Jan-  
24           uary 1, 2022” and inserting “January 1,  
25           2024”,

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1 (C) in paragraph (3)(A)(iv), by striking  
2 “January 1, 2022” and inserting “January 1,  
3 2024”, and

4 (D) in paragraph (4)(C), by striking “Jan-  
5 uary 1, 2022” and inserting “January 1,  
6 2024”.

7 (b) PHASEOUTS.—

8 (1) SOLAR ENERGY PROPERTY.—Section  
9 48(a)(6) is amended—

10 (A) in subparagraph (A)—

11 (i) by striking “January 1, 2022, the  
12 energy percentage” and inserting “Janu-  
13 ary 1, 2024, the energy percentage”,

14 (ii) in clause (i), by striking “January  
15 1, 2021” and inserting “January 1,  
16 2023”, and

17 (iii) in clause (ii), by striking “after  
18 December 31, 2020, and before January 1,  
19 2022” and inserting “after December 31,  
20 2022, and before January 1, 2024”, and

21 (B) in subparagraph (B), by striking “be-  
22 gins before January 1, 2022, and which is not  
23 placed in service before January 1, 2024” and  
24 inserting “begins before January 1, 2024, and

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1           which is not placed in service before January 1,  
2           2026”.

3           (2) FIBER-OPTIC SOLAR, QUALIFIED FUEL  
4           CELL, AND QUALIFIED SMALL WIND ENERGY PROP-  
5           PERTY.—Section 48(a)(7) is amended—

6                   (A) in subparagraph (A)—

7                           (i) in clause (i), by striking “January  
8                           1, 2021” and inserting “January 1,  
9                           2023”, and

10                           (ii) in clause (ii), by striking “after  
11                           December 31, 2020, and before January 1,  
12                           2022” and inserting “after December 31,  
13                           2022, and before January 1, 2024”, and

14                   (B) in subparagraph (B), by striking  
15                   “January 1, 2024” and inserting “January 1,  
16                   2026”.

17           (c) EFFECTIVE DATE.—The amendments made by  
18           this section shall take effect on January 1, 2020.

19   **SEC. 133. TREATMENT OF MORTGAGE INSURANCE PRE-**  
20                   **MIUMS AS QUALIFIED RESIDENCE INTEREST.**

21           (a) IN GENERAL.—Section 163(h)(3)(E)(iv)(I) is  
22           amended by striking “December 31, 2020” and inserting  
23           “December 31, 2021”.



1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to amounts paid or accrued after  
3 December 31, 2020.

4 **SEC. 134. CREDIT FOR HEALTH INSURANCE COSTS OF ELI-**  
5 **GIBLE INDIVIDUALS.**

6 (a) IN GENERAL.—Section 35(b)(1)(B) is amended  
7 by striking “January 1, 2021” and inserting “January 1,  
8 2022”.

9 (b) EFFECTIVE DATE.—The amendment made by  
10 this section shall apply to months beginning after Decem-  
11 ber 31, 2020.

12 **SEC. 135. INDIAN EMPLOYMENT CREDIT.**

13 (a) IN GENERAL.—Section 45A(f) is amended by  
14 striking “December 31, 2020” and inserting “December  
15 31, 2021”.

16 (b) EFFECTIVE DATE.—The amendment made by  
17 this section shall apply to taxable years beginning after  
18 December 31, 2020.

19 **SEC. 136. MINE RESCUE TEAM TRAINING CREDIT.**

20 (a) IN GENERAL.—Section 45N(e) is amended by  
21 striking “December 31, 2020” and inserting “December  
22 31, 2021”.

23 (b) EFFECTIVE DATE.—The amendment made by  
24 this section shall apply to taxable years beginning after  
25 December 31, 2020.

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1 **SEC. 137. CLASSIFICATION OF CERTAIN RACE HORSES AS 3-**  
2 **YEAR PROPERTY.**

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

5 (1) by striking “January 1, 2021” in subclause  
6 (I) and inserting “January 1, 2022”, and

7 (2) by striking “December 31, 2020” in sub-  
8 clause (II) and inserting “December 31, 2021”.

9 (b) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to property placed in service after  
11 December 31, 2020.

12 **SEC. 138. ACCELERATED DEPRECIATION FOR BUSINESS**  
13 **PROPERTY ON INDIAN RESERVATIONS.**

14 (a) IN GENERAL.—Section 168(j)(9) is amended by  
15 striking “December 31, 2020” and inserting “December  
16 31, 2021”.

17 (b) EFFECTIVE DATE.—The amendment made by  
18 this section shall apply to property placed in service after  
19 December 31, 2020.

20 **SEC. 139. AMERICAN SAMOA ECONOMIC DEVELOPMENT**  
21 **CREDIT.**

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

24 (1) by striking “January 1, 2021” each place  
25 it appears and inserting “January 1, 2022”,

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1           (2) by striking “first 15 taxable years” in para-  
2           graph (1) and inserting “first 16 taxable years”,  
3           and

4           (3) by striking “first 9 taxable years” in para-  
5           graph (2) and inserting “first 10 taxable years”.

6           (b) EFFECTIVE DATE.—The amendments made by  
7           this section shall apply to taxable years beginning after  
8           December 31, 2020.

9           **SEC. 140. SECOND GENERATION BIOFUEL PRODUCER**  
10           **CREDIT.**

11           (a) IN GENERAL.—Section 40(b)(6)(J)(i) is amended  
12           by striking “January 1, 2021” and inserting “January 1,  
13           2022”.

14           (b) EFFECTIVE DATE.—The amendment made by  
15           this section shall apply to qualified second generation  
16           biofuel production after December 31, 2020.

17           **SEC. 141. NONBUSINESS ENERGY PROPERTY.**

18           (a) IN GENERAL.—Section 25C(g)(2) is amended by  
19           striking “December 31, 2020” and inserting “December  
20           31, 2021”.

21           (b) EFFECTIVE DATE.—The amendment made by  
22           this section shall apply to property placed in service after  
23           December 31, 2020.

1 **SEC. 142. QUALIFIED FUEL CELL MOTOR VEHICLES.**

2 (a) IN GENERAL.—Section 30B(k)(1) is amended by  
3 striking “December 31, 2020” and inserting “December  
4 31, 2021”.

5 (b) EFFECTIVE DATE.—The amendment made by  
6 this section shall apply to property purchased after De-  
7 cember 31, 2020.

8 **SEC. 143. ALTERNATIVE FUEL REFUELING PROPERTY**  
9 **CREDIT.**

10 (a) IN GENERAL.—Section 30C(g) is amended by  
11 striking “December 31, 2020” and inserting “December  
12 31, 2021”.

13 (b) EFFECTIVE DATE.—The amendment made by  
14 this section shall apply to property placed in service after  
15 December 31, 2020.

16 **SEC. 144. 2-WHEELED PLUG-IN ELECTRIC VEHICLE CREDIT.**

17 (a) IN GENERAL.—Section 30D(g)(3)(E)(ii) is  
18 amended by striking “January 1, 2021” and inserting  
19 “January 1, 2022”.

20 (b) EFFECTIVE DATE.—The amendment made by  
21 this section shall apply to vehicles acquired after Decem-  
22 ber 31, 2020.

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1 **SEC. 145. PRODUCTION CREDIT FOR INDIAN COAL FACILI-**  
2 **TIES.**

3 (a) IN GENERAL.—Section 45(e)(10)(A) is amended  
4 by striking “15-year period” each place it appears and in-  
5 serting “16-year period”.

6 (b) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to coal produced after December  
8 31, 2020.

9 **SEC. 146. ENERGY EFFICIENT HOMES CREDIT.**

10 (a) IN GENERAL.—Section 45L(g) is amended by  
11 striking “December 31, 2020” and inserting “December  
12 31, 2021”.

13 (b) EFFECTIVE DATE.—The amendment made by  
14 this section shall apply to homes acquired after December  
15 31, 2020.

16 **SEC. 147. EXTENSION OF EXCISE TAX CREDITS RELATING**  
17 **TO ALTERNATIVE FUELS.**

18 (a) IN GENERAL.—Sections 6426(d)(5) and  
19 6426(e)(3) are each amended by striking “December 31,  
20 2020” and inserting “December 31, 2021”.

21 (b) OUTLAY PAYMENTS FOR ALTERNATIVE  
22 FUELS.—Section 6427(e)(6)(C) is amended by striking  
23 “December 31, 2020” and inserting “December 31,  
24 2021”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this subsection shall apply to fuel sold or used after De-  
3 cember 31, 2020.

4 **SEC. 148. EXTENSION OF RESIDENTIAL ENERGY-EFFICIENT**  
5 **PROPERTY CREDIT AND INCLUSION OF BIO-**  
6 **MASS FUEL PROPERTY EXPENDITURES.**

7 (a) EXTENSION.—

8 (1) IN GENERAL.—Section 25D(h) is amended  
9 by striking “December 31, 2021” and inserting  
10 “December 31, 2023”.

11 (2) PHASEDOWN.—Section 25D(g) is amend-  
12 ed—

13 (A) by striking “January 1, 2021” in  
14 paragraph (2) and inserting “January 1,  
15 2023”, and

16 (B) by striking “after December 31, 2020,  
17 and before January 1, 2022” in paragraph (3)  
18 and inserting “after December 31, 2022, and  
19 before January 1, 2024”.

20 (b) QUALIFIED BIOMASS FUEL PROPERTY EXPENDI-  
21 TURES.—

22 (1) IN GENERAL.—Section 25D(a) is amended  
23 by striking “and” at the end of paragraph (4), by  
24 inserting “and” at the end of paragraph (5), and by

1 inserting after paragraph (5) the following new  
2 paragraph:

3 “(6) the qualified biomass fuel property expend-  
4 itures, and”.

5 (2) QUALIFIED BIOMASS FUEL PROPERTY EX-  
6 PENDITURES DEFINED.—Section 25D(d) is amended  
7 by adding at the end the following new paragraph:

8 “(6) QUALIFIED BIOMASS FUEL PROPERTY EX-  
9 PENDITURE.—

10 “(A) IN GENERAL.—The term ‘qualified  
11 biomass fuel property expenditure’ means an  
12 expenditure for property—

13 “(i) which uses the burning of bio-  
14 mass fuel to heat a dwelling unit located in  
15 the United States and used as a residence  
16 by the taxpayer, or to heat water for use  
17 in such a dwelling unit, and

18 “(ii) which has a thermal efficiency  
19 rating of at least 75 percent (measured by  
20 the higher heating value of the fuel).

21 “(B) BIOMASS FUEL.—For purposes of  
22 this section, the term ‘biomass fuel’ means any  
23 plant-derived fuel available on a renewable or  
24 recurring basis.”.

1           (3) DENIAL OF DOUBLE BENEFIT FOR BIOMASS  
2           STOVES.—

3           (A) IN GENERAL.—Section 25C(d)(3) is  
4           amended by adding “and” at the end of sub-  
5           paragraph (C), by striking “, and” at the end  
6           of subparagraph (D) and inserting a period,  
7           and by striking subparagraph (E).

8           (B) CONFORMING AMENDMENT.—Section  
9           25C(d) is amended by striking paragraph (6).

10          (c) EFFECTIVE DATE.—

11           (1) EXTENSION.—The amendments made by  
12           subsection (a) shall apply to property placed in serv-  
13           ice after December 31, 2020.

14           (2) QUALIFIED BIOMASS FUEL PROPERTY EX-  
15           PENDITURES.—The amendments made by subsection  
16           (b) shall apply to expenditures paid or incurred in  
17           taxable years beginning after December 31, 2020.

18   **SEC. 149. BLACK LUNG DISABILITY TRUST FUND EXCISE**

19                           **TAX.**

20           (a) IN GENERAL.—Section 4121(e)(2)(A) is amended  
21           by striking “December 31, 2020” and inserting “Decem-  
22           ber 31, 2021”.

23           (b) EFFECTIVE DATE.—The amendment made by  
24           this section shall apply to sales after December 31, 2020.



1     **TITLE II—OTHER PROVISIONS**

2     **SEC. 201. MINIMUM LOW-INCOME HOUSING TAX CREDIT**

3                     **RATE.**

4             (a) **IN GENERAL.**—Subsection (b) of section 42 is  
5 amended—

6                     (1) by redesignating paragraph (3) as para-  
7 graph (4), and

8                     (2) by inserting after paragraph (2) the fol-  
9 lowing new paragraph:

10                     “(3) **MINIMUM CREDIT RATE.**—In the case of  
11 any new or existing building to which paragraph (2)  
12 does not apply and which is placed in service by the  
13 taxpayer after December 31, 2020, the applicable  
14 percentage shall not be less than 4 percent.”.

15             (b) **EFFECTIVE DATE.**—The amendments made by  
16 this section shall apply to—

17                     (1) any building which receives an allocation of  
18 housing credit dollar amount after December 31,  
19 2020, and

20                     (2) in the case of any building any portion of  
21 which is financed with an obligation described in  
22 section 42(h)(4)(A), any such building if any such  
23 obligation which so finances such building is issued  
24 after December 31, 2020.

1 **SEC. 202. DEPRECIATION OF CERTAIN RESIDENTIAL RENT-**  
2 **AL PROPERTY OVER 30-YEAR PERIOD.**

3 Section 13204(b) of Public Law 115–97 is amend-  
4 ed—

5 (1) in paragraph (1), by striking “paragraph  
6 (2)” and inserting “paragraphs (2) and (3)”, and

7 (2) by adding at the end the following:

8 “(3) CERTAIN RESIDENTIAL RENTAL PROP-  
9 erty.—In the case of any residential rental prop-  
10 erty—

11 “(A) which was placed in service before  
12 January 1, 2018,

13 “(B) which is held by an electing real  
14 property trade or business (as defined in section  
15 163(j)(7)(B) of the Internal Revenue Code of  
16 1986), and

17 “(C) for which subparagraph (A), (B), (C),  
18 (D), or (E) of section 168(g)(1) of the Internal  
19 Revenue Code of 1986 did not apply prior to  
20 such date,

21 the amendments made by subsection (a)(3)(C) shall  
22 apply to taxable years beginning after December 31,  
23 2017.”.

1 **SEC. 203. WASTE ENERGY RECOVERY PROPERTY ELIGIBLE**  
2 **FOR ENERGY CREDIT.**

3 (a) IN GENERAL.—Section 48(a)(3)(A) is amended  
4 by striking “or” at the end of clause (vi), by inserting  
5 “or” at the end of clause (vii), and by adding at the end  
6 the following new clause:

7 “(viii) waste energy recovery prop-  
8 erty,”.

9 (b) APPLICATION OF 30 PERCENT CREDIT.—Section  
10 48(a)(2)(A)(i) is amended by striking “and” at the end  
11 of subclause (III) and by adding at the end the following  
12 new subclause:

13 “(V) waste energy recovery prop-  
14 erty, and”.

15 (c) APPLICATION OF PHASEOUT.—Section 48(a)(7)  
16 is amended—

17 (1) by inserting “waste energy recovery prop-  
18 erty,” after “qualified small wind property,” and

19 (2) by striking “FIBER-OPTIC SOLAR, QUALI-  
20 FIED FUEL CELL, AND QUALIFIED SMALL WIND” in  
21 the heading thereof and inserting “CERTAIN  
22 OTHER”.

23 (d) DEFINITION.—Section 48(c) is amended by add-  
24 ing at the end the following new paragraphs:

25 “(5) WASTE ENERGY RECOVERY PROPERTY.—

1           “(A) IN GENERAL.—The term ‘waste en-  
2           ergy recovery property’ means property that  
3           generates electricity solely from heat from  
4           buildings or equipment if the primary purpose  
5           of such building or equipment is not the genera-  
6           tion of electricity.

7           “(B) CAPACITY LIMITATION.—The term  
8           ‘waste energy recovery property’ shall not in-  
9           clude any property which has a capacity in ex-  
10          cess of 50 megawatts.

11          “(C) NO DOUBLE BENEFIT.—Any waste  
12          energy recovery property (determined without  
13          regard to this subparagraph) which is part of a  
14          system which is a combined heat and power sys-  
15          tem property shall not be treated as waste en-  
16          ergy recovery property for purposes of this sec-  
17          tion unless the taxpayer elects to not treat such  
18          system as a combined heat and power system  
19          property for purposes of this section.

20          “(D) TERMINATION.—The term ‘waste en-  
21          ergy recovery property’ shall not include any  
22          property the construction of which does not  
23          begin before January 1, 2024.”.

24          (e) EFFECTIVE DATE.—The amendments made by  
25          this section shall apply to periods after December 31,

1 2020, under rules similar to the rules of section 48(m)  
2 as in effect on the day before the date of the enactment  
3 of the Revenue Reconciliation Act of 1990.

4 **SEC. 204. EXTENSION OF ENERGY CREDIT FOR OFFSHORE**  
5 **WIND FACILITIES.**

6 (a) IN GENERAL.—Section 48(a)(5) is amended by  
7 adding at the end the following new subparagraph:

8 “(F) QUALIFIED OFFSHORE WIND FACILI-  
9 TIES.—

10 “(i) IN GENERAL.—In the case of any  
11 qualified offshore wind facility—

12 “(I) subparagraph (C)(ii) shall be  
13 applied by substituting ‘January 1,  
14 2026’ for ‘January 1, 2022’,

15 “(II) subparagraph (E) shall not  
16 apply, and

17 “(III) for purposes of this para-  
18 graph, section 45(d)(1) shall be ap-  
19 plied by substituting ‘January 1,  
20 2026’ for ‘January 1, 2022’.

21 “(ii) QUALIFIED OFFSHORE WIND FA-  
22 CILITY.—For purposes of this subpara-  
23 graph, the term ‘qualified offshore wind fa-  
24 cility’ means a qualified facility (within the  
25 meaning of section 45) described in para-

1 graph (1) of section 45(d) (determined  
2 without regard to any date by which the  
3 construction of the facility is required to  
4 begin) which is located in the inland navi-  
5 gable waters of the United States or in the  
6 coastal waters of the United States.”.

7 (b) EFFECTIVE DATE.—The amendment made by  
8 this section shall apply to periods after December 31,  
9 2016, under rules similar to the rules of section 48(m)  
10 of the Internal Revenue Code of 1986 (as in effect on the  
11 day before the date of the enactment of the Revenue Rec-  
12 onciliation Act of 1990).

13 **SEC. 205. MINIMUM RATE OF INTEREST FOR CERTAIN DE-**  
14 **TERMINATIONS RELATED TO LIFE INSUR-**  
15 **ANCE CONTRACTS.**

16 (a) MODIFICATION OF MINIMUM RATE FOR PUR-  
17 POSES OF CASH VALUE ACCUMULATION TEST.—

18 (1) IN GENERAL.—Section 7702(b)(2)(A) is  
19 amended by striking “an annual effective rate of 4  
20 percent” and inserting “the applicable accumulation  
21 test minimum rate”.

22 (2) APPLICABLE ACCUMULATION TEST MIN-  
23 IMUM RATE.—Section 7702(b) is amended by adding  
24 at the end the following new paragraph:

1           “(3) APPLICABLE ACCUMULATION TEST MIN-  
2           IMUM RATE.—For purposes of paragraph (2)(A), the  
3           term ‘applicable accumulation test minimum rate’  
4           means the lesser of—

5                     “(A) an annual effective rate of 4 percent,  
6                     or

7                     “(B) the insurance interest rate (as de-  
8                     fined in subsection (f)(11)) in effect at the time  
9                     the contract is issued.”.

10          (b) MODIFICATION OF MINIMUM RATE FOR PUR-  
11          POSES OF GUIDELINE PREMIUM REQUIREMENTS.—

12                 (1) IN GENERAL.—Section 7702(c)(3)(B)(iii) is  
13                 amended by striking “an annual effective rate of 6  
14                 percent” and inserting “the applicable guideline pre-  
15                 mium minimum rate”.

16                 (2) APPLICABLE GUIDELINE PREMIUM MIN-  
17                 IMUM RATE.—Section 7702(c)(3) is amended by  
18                 adding at the end the following new subparagraph:

19                     “(E) APPLICABLE GUIDELINE PREMIUM  
20                     MINIMUM RATE.—For purposes of subpara-  
21                     graph (B)(iii), the term ‘applicable guideline  
22                     premium minimum rate’ means the applicable  
23                     accumulation test minimum rate (as defined in  
24                     subsection (b)(3)) plus 2 percentage points.”.

1           (c) APPLICATION OF MODIFIED MINIMUM RATES TO  
2 DETERMINATION OF GUIDELINE LEVEL PREMIUM.—Sec-  
3 tion 7702(c)(4) is amended—

4           (1) by striking “4 percent” and inserting “the  
5 applicable accumulation test minimum rate”, and

6           (2) by striking “6 percent” and inserting “the  
7 applicable guideline premium minimum rate”.

8           (d) INSURANCE INTEREST RATE.—Section 7702(f) is  
9 amended by adding at the end the following new para-  
10 graph:

11           “(11) INSURANCE INTEREST RATE.—For pur-  
12 poses of this section—

13           “(A) IN GENERAL.—The term ‘insurance  
14 interest rate’ means, with respect to any con-  
15 tract issued in any calendar year, the lesser  
16 of—

17           “(i) the section 7702 valuation inter-  
18 est rate for such calendar year (or, if such  
19 calendar year is not an adjustment year,  
20 the most recent adjustment year), or

21           “(ii) the section 7702 applicable Fed-  
22 eral interest rate for such calendar year  
23 (or, if such calendar year is not an adjust-  
24 ment year, the most recent adjustment  
25 year).



1           “(B) SECTION 7702 VALUATION INTEREST  
2           RATE.—The term ‘section 7702 valuation inter-  
3           est rate’ means, with respect to any adjustment  
4           year, the prescribed U.S. valuation interest rate  
5           for life insurance with guaranteed durations of  
6           more than 20 years (as defined in the National  
7           Association of Insurance Commissioners’ Stand-  
8           ard Valuation Law) as effective in the calendar  
9           year immediately preceding such adjustment  
10          year.

11          “(C) SECTION 7702 APPLICABLE FEDERAL  
12          INTEREST RATE.—The term ‘section 7702 ap-  
13          plicable Federal interest rate’ means, with re-  
14          spect to any adjustment year, the average  
15          (rounded to the nearest whole percentage point)  
16          of the applicable Federal mid-term rates (as de-  
17          fined in section 1274(d) but based on annual  
18          compounding) effective as of the beginning of  
19          each of the calendar months in the most recent  
20          60-month period ending before the second cal-  
21          endar year prior to such adjustment year.

22          “(D) ADJUSTMENT YEAR.—The term ‘ad-  
23          justment year’ means the calendar year fol-  
24          lowing any calendar year that includes the ef-  
25          fective date of a change in the prescribed U.S.

1 valuation interest rate for life insurance with  
2 guaranteed durations of more than 20 years (as  
3 defined in the National Association of Insur-  
4 ance Commissioners' Standard Valuation Law).

5 “(E) TRANSITION RULE.—Notwith-  
6 standing subparagraph (A), the insurance inter-  
7 est rate shall be 2 percent in the case of any  
8 contract which is issued during the period  
9 that—

10 “(i) begins on January 1, 2021, and

11 “(ii) ends immediately before the be-  
12 ginning of the first adjustment year that  
13 beings after December 31, 2021.”.

14 (e) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to contracts issued after December  
16 31, 2020.

17 **SEC. 206. CLARIFICATIONS AND TECHNICAL IMPROVE-**  
18 **MENTS TO CARES ACT EMPLOYEE RETEN-**  
19 **TION CREDIT.**

20 (a) GROSS RECEIPTS OF TAX-EXEMPT ORGANIZA-  
21 TIONS.—Section 2301(c)(2)(C) of the CARES Act is  
22 amended—

23 (1) by striking “of such Code, clauses (i) and

24 (ii)(I)” and inserting “of such Code—

25 “(i) clauses (i) and (ii)(I)”,

1           (2) by striking the period at the end and insert-  
2           ing “, and”, and

3           (3) by adding at the end the following new  
4           clause:

5                       “(ii) any reference in this section to  
6                       gross receipts shall be treated as a ref-  
7                       erence to gross receipts within the meaning  
8                       of section 6033 of such Code.”.

9           (b) MODIFICATION OF TREATMENT OF HEALTH  
10          PLAN EXPENSES.—Section 2301(c) of the CARES Act is  
11          amended—

12               (1) by striking subparagraph (C) of paragraph  
13               (3), and

14               (2) in paragraph (5)—

15                       (A) by striking “The term” and inserting  
16                       the following:

17                               “(A) IN GENERAL.—The term”, and

18                       (B) by adding at the end the following new  
19                       subparagraph:

20                               “(B) ALLOWANCE FOR CERTAIN HEALTH  
21                       PLAN EXPENSES.—

22                                       “(i) IN GENERAL.—Such term shall  
23                                       include amounts paid by the eligible em-  
24                                       ployer to provide and maintain a group  
25                                       health plan (as defined in section

1           5000(b)(1) of the Internal Revenue Code  
2           of 1986), but only to the extent that such  
3           amounts are excluded from the gross in-  
4           come of employees by reason of section  
5           106(a) of such Code.

6           “(ii) ALLOCATION RULES.—For pur-  
7           poses of this section, amounts treated as  
8           wages under clause (i) shall be treated as  
9           paid with respect to any employee (and  
10          with respect to any period) to the extent  
11          that such amounts are properly allocable to  
12          such employee (and to such period) in such  
13          manner as the Secretary may prescribe.  
14          Except as otherwise provided by the Sec-  
15          retary, such allocation shall be treated as  
16          properly made if made on the basis of  
17          being pro rata among periods of cov-  
18          erage.”.

19          (c) IMPROVED COORDINATION BETWEEN PAYCHECK  
20 PROTECTION PROGRAM AND EMPLOYEE RETENTION TAX  
21 CREDIT.—

22          (1) AMENDMENT TO PAYCHECK PROTECTION  
23 PROGRAM.—Section 7A(a)(12) of the Small Business  
24 Act, as redesignated, transferred, and amended by  
25 the Economic Aid to Hard-Hit Small Businesses,

1 Nonprofits, and Venues Act, is amended by adding  
2 at the end the following: “Such payroll costs shall  
3 not include qualified wages taken into account in de-  
4 termining the credit allowed under section 2301 of  
5 the CARES Act or qualified wages taken into ac-  
6 count in determining the credit allowed under sub-  
7 section (a) or (d) of section 303 of the Taxpayer  
8 Certainty and Disaster Relief Act of 2020.”.

9 (2) AMENDMENTS TO EMPLOYEE RETENTION  
10 TAX CREDIT.—

11 (A) IN GENERAL.—Section 2301(g) of the  
12 CARES Act is amended to read as follows:

13 “(g) ELECTION TO NOT TAKE CERTAIN WAGES INTO  
14 ACCOUNT.—

15 “(1) IN GENERAL.—This section shall not apply  
16 to so much of the qualified wages paid by an eligible  
17 employer as such employer elects (at such time and  
18 in such manner as the Secretary may prescribe) to  
19 not take into account for purposes of this section.

20 “(2) COORDINATION WITH PAYCHECK PROTEC-  
21 TION PROGRAM.—The Secretary, in consultation  
22 with the Administrator of the Small Business Ad-  
23 ministration, shall issue guidance providing that  
24 payroll costs paid during the covered period shall not  
25 fail to be treated as qualified wages under this sec-

1       tion by reason of an election under paragraph (1) to  
2       the extent that a covered loan of the eligible em-  
3       ployer is not forgiven by reason of a decision under  
4       section 7A(g) of the Small Business Act. Terms  
5       used in the preceding sentence which are also used  
6       in section 7A of the Small Business Act shall have  
7       the same meaning as when used in such section.”.

8               (B) CONFORMING AMENDMENTS.—

9               (i) Section 2301 of the CARES Act is  
10              amended by striking subsection (j).

11              (ii) Section 2301(l) of the CARES Act  
12              is amended by striking paragraph (3) and  
13              by redesignating paragraphs (4) and (5) as  
14              paragraphs (3) and (4), respectively.

15              (d) REGULATIONS AND GUIDANCE.—Section 2301(l)  
16              of the CARES Act, as amended by subsection  
17              (c)(2)(B)(ii), is amended by striking “and” at the end of  
18              paragraph (3), by striking the period at the end of para-  
19              graph (4) and inserting “, and”, and by adding at the  
20              end the following new paragraph:

21                      “(5) to prevent the avoidance of the purposes of  
22              the limitations under this section, including through  
23              the leaseback of employees.”.

24              (e) EFFECTIVE DATE.—

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1           (1) IN GENERAL.—The amendments made by  
2 this section shall take effect as if included in the  
3 provisions of the CARES Act to which they relate.

4           (2) SPECIAL RULE.—

5           (A) IN GENERAL.—For purposes of section  
6 2301 of the CARES Act, an employer who has  
7 filed a return of tax with respect to applicable  
8 employment taxes (as defined in section  
9 2301(c)(1) of division A of such Act) before the  
10 date of the enactment of this Act may elect (in  
11 such manner as the Secretary of the Treasury  
12 (or the Secretary’s delegate) shall prescribe) to  
13 treat any applicable amount as an amount paid  
14 in the calendar quarter which includes the date  
15 of the enactment of this Act.

16           (B) APPLICABLE AMOUNT.—For purposes  
17 of subparagraph (A), the term “applicable  
18 amount” means the amount of wages which—

19           (i) are—

20                   (I) described in section  
21 2301(c)(5)(B) of the CARES Act, as  
22 added by the amendments made by  
23 subsection (b), or

24                   (II) permitted to be treated as  
25 qualified wages under guidance issued

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1                   pursuant to section 2301(g)(2) of the  
2                   CARES Act (as added by subsection  
3                   (c)), and  
4                   (ii) were—

5                   (I) paid in a calendar quarter be-  
6                   ginning after December 31, 2019, and  
7                   before October 1, 2020, and

8                   (II) not taken into account by  
9                   the taxpayer in calculating the credit  
10                  allowed under section 2301(a) of divi-  
11                  sion A of such Act for such calendar  
12                  quarter.

13 **SEC. 207. EXTENSION AND MODIFICATION OF EMPLOYEE**  
14 **RETENTION AND REHIRING TAX CREDIT.**

15                  (a) EXTENSION.—

16                   (1) IN GENERAL.—Section 2301(m) of the  
17                   CARES Act is amended by striking “January 1,  
18                   2021” and inserting “July 1, 2021”.

19                   (2) CONFORMING AMENDMENT.—Section  
20                   2301(e)(2)(A)(i) of the CARES Act is amended by  
21                   striking “during calendar year 2020” and inserting  
22                   “during the calendar quarter for which the credit is  
23                   determined under subsection (a)”.



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1 (b) INCREASE IN CREDIT PERCENTAGE.—Section  
2 2301(a) of the CARES Act is amended by striking “50  
3 percent” and inserting “70 percent”.

4 (c) INCREASE IN PER EMPLOYEE LIMITATION.—Sec-  
5 tion 2301(b)(1) of the CARES Act is amended by striking  
6 “for all calendar quarters shall not exceed \$10,000” and  
7 inserting “for any calendar quarter shall not exceed  
8 \$10,000”.

9 (d) MODIFICATIONS TO DEFINITION OF ELIGIBLE  
10 EMPLOYER.—

11 (1) DECREASE IN REDUCTION IN GROSS RE-  
12 CEIPTS NECESSARY TO QUALIFY AS ELIGIBLE EM-  
13 PLOYER.—

14 (A) IN GENERAL.—Section  
15 2301(c)(2)(A)(ii)(II) of the CARES Act is  
16 amended to read as follows:

17 “(II) the gross receipts (within  
18 the meaning of section 448(c) of the  
19 Internal Revenue Code of 1986) of  
20 such employer for such calendar quar-  
21 ter are less than 80 percent of the  
22 gross receipts of such employer for  
23 the same calendar quarter in calendar  
24 year 2019.”.

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1 (B) APPLICATION TO EMPLOYERS NOT IN  
2 EXISTENCE IN 2019.—Section 2301(c)(2)(A) of  
3 the CARES Act, as amended by subparagraph  
4 (A), is amended by adding at the end the fol-  
5 lowing new flush sentence:

6 “With respect to any employer for any calendar quarter,  
7 if such employer was not in existence as of the beginning  
8 of the same calendar quarter in calendar year 2019, clause  
9 (ii)(II) shall be applied by substituting ‘2020’ for ‘2019’.”.

10 (2) ELECTION TO DETERMINE GROSS RECEIPTS  
11 TEST BASED ON PRIOR QUARTER.—

12 (A) IN GENERAL.—Subparagraph (B) of  
13 section 2301(c)(2) of the CARES Act is amend-  
14 ed to read as follows:

15 “(B) ELECTION TO USE ALTERNATIVE  
16 QUARTER.—At the election of the employer—

17 “(i) subparagraph (A)(ii)(II) shall be  
18 applied—

19 “(I) by substituting ‘for the im-  
20 mediately preceding calendar quarter’  
21 for ‘for such calendar quarter’, and

22 “(II) by substituting ‘the cor-  
23 responding calendar quarter in cal-  
24 endar year 2019’ for ‘the same cal-

1                   endar quarter in calendar year 2019’,  
2                   and  
3                   “(ii) the last sentence of subpara-  
4                   graph (A) shall be applied by substituting  
5                   ‘the corresponding calendar quarter in cal-  
6                   endar year 2019’ for ‘the same calendar  
7                   quarter in calendar year 2019’.

8                   An election under this subparagraph shall be  
9                   made at such time and in such manner as the  
10                  Secretary shall prescribe.”.

11                  (B) CONFORMING AMENDMENT.—Section  
12                  2301(l) of the CARES Act, as amended by sec-  
13                  tion 206, is amended by inserting “and” at the  
14                  end of paragraph (3), by striking paragraph  
15                  (4), and by redesignating paragraph (5) as  
16                  paragraph (4).

17                  (3) APPLICATION TO CERTAIN GOVERNMENTAL  
18                  EMPLOYERS.—

19                  (A) IN GENERAL.—Section 2301(f) of the  
20                  CARES Act is amended—

21                         (i) by striking “This” and inserting  
22                         the following:

23                         “(1) IN GENERAL.—This”, and

24                         (ii) by adding at the end the following  
25                         new paragraph:

1           “(2) EXCEPTION.—Paragraph (1) shall not  
2           apply to—

3                   “(A) any organization described in section  
4                   501(c)(1) of the Internal Revenue Code of 1986  
5                   and exempt from tax under section 501(a) of  
6                   such Code, or

7                   “(B) any entity described in paragraph (1)  
8                   if —

9                           “(i) such entity is a college or univer-  
10                           sity, or

11                           “(ii) the principal purpose or function  
12                           of such entity is providing medical or hos-  
13                           pital care.

14           In the case of any entity described in subpara-  
15           graph (B), such entity shall be treated as satis-  
16           fying the requirements of subsection  
17           (c)(2)(A)(i).”.

18                   (B) CONFORMING AMENDMENT.—Section  
19                   2301(c)(5)(A) of the CARES Act, as amended  
20                   by section 206(b)(2), is amended by adding at  
21                   the end the following new sentence: “For pur-  
22                   poses of the preceding sentence, in the case of  
23                   any organization or entity described in sub-  
24                   section (f)(2), wages as defined in section  
25                   3121(a) of the Internal Revenue Code of 1986

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1 shall be determined without regard to para-  
2 graphs (5), (6), (7), (10), and (13) of section  
3 3121(b) of such Code (except with respect to  
4 services performed in a penal institution by an  
5 inmate thereof).”.

6 (e) MODIFICATION OF DETERMINATION OF QUALI-  
7 FIED WAGES.—

8 (1) MODIFICATION OF THRESHOLD FOR TREAT-  
9 MENT AS A LARGE EMPLOYER.—Section  
10 2301(e)(3)(A) of the CARES Act is amended by  
11 striking “100” each place it appears in clauses (i)  
12 and (ii) and inserting “500”.

13 (2) ELIMINATION OF LIMITATION.—Section  
14 2301(e)(3) of the CARES Act is amended—

15 (A) by striking subparagraph (B), and

16 (B) by striking “Such term” in the second  
17 sentence of subparagraph (A) and inserting the  
18 following:

19 “(B) EXCEPTION.—The term ‘qualified  
20 wages’ ”.

21 (f) DENIAL OF DOUBLE BENEFIT.—Section 2301(h)  
22 of the CARES Act is amended—

23 (1) by striking paragraphs (1) and (2) and in-  
24 serting the following:

1           “(1) DENIAL OF DOUBLE BENEFIT.—Any  
2 wages taken into account in determining the credit  
3 allowed under this section shall not be taken into ac-  
4 count as wages for purposes of sections 41, 45A,  
5 45P, 45S, 51, and 1396 of the Internal Revenue  
6 Code of 1986.”.

7           (2) by redesignating paragraph (3) as para-  
8 graph (2).

9           (g) ADVANCE PAYMENTS.—

10           (1) IN GENERAL.—Section 2301 of the CARES  
11 Act, as amended by section 206(c)(2)(B)(i), is  
12 amended by inserting after subsection (i) the fol-  
13 lowing new subsection:

14           “(j) ADVANCE PAYMENTS.—

15           “(1) IN GENERAL.—Except as provided in para-  
16 graph (2), no advance payment of the credit under  
17 subsection (a) shall be allowed.

18           “(2) ADVANCE PAYMENTS TO SMALL EMPLOY-  
19 ERS.—

20           “(A) IN GENERAL.—Under rules provided  
21 by the Secretary, an eligible employer for which  
22 the average number of full-time employees  
23 (within the meaning of section 4980H of the  
24 Internal Revenue Code of 1986) employed by  
25 such eligible employer during 2019 was not

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1 greater than 500 may elect for any calendar  
2 quarter to receive an advance payment of the  
3 credit under subsection (a) for such quarter in  
4 an amount not to exceed 70 percent of the aver-  
5 age quarterly wages paid by the employer in  
6 calendar year 2019.

7 “(B) SPECIAL RULE FOR SEASONAL EM-  
8 PLOYERS.—In the case of any employer who  
9 employs seasonal workers (as defined in section  
10 45R(d)(5)(B) of the Internal Revenue Code of  
11 1986), the employer may elect to substitute ‘the  
12 wages for the calendar quarter in 2019 which  
13 corresponds to the calendar quarter to which  
14 the election relates’ for ‘the average quarterly  
15 wages paid by the employer in calendar year  
16 2019’.

17 “(C) SPECIAL RULE FOR EMPLOYERS NOT  
18 IN EXISTENCE IN 2019.—In the case of any em-  
19 ployer that was not in existence in 2019, sub-  
20 paragraphs (A) and (B) shall each be applied  
21 by substituting ‘2020’ for ‘2019’ each place it  
22 appears.

23 “(3) RECONCILIATION OF CREDIT WITH AD-  
24 VANCE PAYMENTS.—

1           “(A) IN GENERAL.—The amount of credit  
2           which would (but for this subsection) be allowed  
3           under this section shall be reduced (but not  
4           below zero) by the aggregate payment allowed  
5           to the taxpayer under paragraph (2). Any fail-  
6           ure to so reduce the credit shall be treated as  
7           arising out of a mathematical or clerical error  
8           and assessed according to section 6213(b)(1) of  
9           the Internal Revenue Code of 1986.

10           “(B) EXCESS ADVANCE PAYMENTS.—If the  
11           advance payments to a taxpayer under para-  
12           graph (2) for a calendar quarter exceed the  
13           credit allowed by this section (determined with-  
14           out regard to subparagraph (A)), the tax im-  
15           posed by chapter 21 or 22 of the Internal Rev-  
16           enue Code of 1986 (whichever is applicable) for  
17           the calendar quarter shall be increased by the  
18           amount of such excess.”.

19           (2) CONFORMING AMENDMENTS.—Section  
20           2301(l) of the CARES Act, as amended by section  
21           206 and subsection (d)(2)(B), is amended—

22                   (A) by inserting “as provided in subsection  
23                   (j)(2)” after “subsection (a)” in paragraph (1),  
24                   (B) by striking paragraph (2), and



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1 (C) by redesignating paragraphs (3) and  
2 (4) as paragraphs (2) and (3), respectively.

3 (h) THIRD-PARTY PAYORS.—Section 2301(l) of the  
4 CARES Act, as amended by section 206 and subsections  
5 (d)(2)(B) and (g)(2), is amended by adding at the end  
6 the following flush sentence:

7 “Any forms, instructions, regulations, or guidance de-  
8 scribed in paragraph (2) shall require the customer to be  
9 responsible for the accounting of the credit and for any  
10 liability for improperly claimed credits and shall require  
11 the certified professional employer organization or other  
12 third party payor to accurately report such tax credits  
13 based on the information provided by the customer.”.

14 (i) PUBLIC AWARENESS CAMPAIGN.—Section 2301  
15 of the CARES Act is amended by adding at the end the  
16 following new subsection:

17 “(n) PUBLIC AWARENESS CAMPAIGN.—

18 “(1) IN GENERAL.—The Secretary shall con-  
19 duct a public awareness campaign, in coordination  
20 with the Administrator of the Small Business Ad-  
21 ministration, to provide information regarding the  
22 availability of the credit allowed under this section.

23 “(2) OUTREACH.—Under the campaign con-  
24 ducted under paragraph (1), the Secretary shall—

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1           “(A) provide to all employers which re-  
2           ported not more than 500 employees on the  
3           most recently filed return of applicable employ-  
4           ment taxes a notice about the credit allowed  
5           under this section and the requirements for eli-  
6           gibility to claim the credit, and

7           “(B) not later than 30 days after the date  
8           of the enactment of this subsection, provide to  
9           all employers educational materials relating to  
10          the credit allowed under this section, including  
11          specific materials for businesses with not more  
12          than 500 employees.”.

13          (j) COORDINATION WITH CERTAIN PAYROLL PRO-  
14          TECTION PROGRAM LOANS.—Section 2301(g)(2) of the  
15          CARES Act, as added by section 206(c)(2)(A), is amend-  
16          ed by striking “section 7A(g) of the Small Business Act”  
17          and all that follows and inserting “section 7A(g) of the  
18          Small Business Act or the application of section  
19          7(a)(37)(J) of the Small Business Act. Terms used in the  
20          preceding sentence which are also used in section 7A(g)  
21          or 7(a)(37)(J) of the Small Business Act shall, when ap-  
22          plied in connection with either such section, have the same  
23          meaning as when used in such section, respectively.”.

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1 (k) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to calendar quarters beginning  
3 after December 31, 2020.

4 **SEC. 208. MINIMUM AGE FOR DISTRIBUTIONS DURING**  
5 **WORKING RETIREMENT.**

6 (a) IN GENERAL.—Paragraph (36) of section 401(a)  
7 is amended to read as follows:

8 “(36) DISTRIBUTIONS DURING WORKING RE-  
9 TIREMENT.—

10 “(A) IN GENERAL.—A trust forming part  
11 of a pension plan shall not be treated as failing  
12 to constitute a qualified trust under this section  
13 solely because the plan provides that a distribu-  
14 tion may be made from such trust to an em-  
15 ployee who has attained age 59½ and who is  
16 not separated from employment at the time of  
17 such distribution.

18 “(B) CERTAIN EMPLOYEES IN THE BUILD-  
19 ING AND CONSTRUCTION INDUSTRY.—Subpara-  
20 graph (A) shall be applied by substituting ‘age  
21 55’ for ‘age 59½’ in the case of a multiem-  
22 ployer plan described in section  
23 4203(b)(1)(B)(i) of the Employee Retirement  
24 Income Security Act of 1974, with respect to

1 individuals who were participants in such plan  
2 on or before April 30, 2013, if—

3 “(i) the trust to which subparagraph  
4 (A) applies was in existence before Janu-  
5 ary 1, 1970, and

6 “(ii) before December 31, 2011, at a  
7 time when the plan provided that distribu-  
8 tions may be made to an employee who has  
9 attained age 55 and who is not separated  
10 from employment at the time of such dis-  
11 tribution, the plan received at least 1 writ-  
12 ten determination from the Internal Rev-  
13 enue Service that the trust to which sub-  
14 paragraph (A) applies constituted a quali-  
15 fied trust under this section.”.

16 (b) EFFECTIVE DATE.—The amendment made by  
17 this section shall apply to distributions made before, on,  
18 or after the date of the enactment of this Act.

19 **SEC. 209. TEMPORARY RULE PREVENTING PARTIAL PLAN**  
20 **TERMINATION.**

21 A plan shall not be treated as having a partial termi-  
22 nation (within the meaning of 411(d)(3) of the Internal  
23 Revenue Code of 1986) during any plan year which in-  
24 cludes the period beginning on March 13, 2020, and end-  
25 ing on March 31, 2021, if the number of active partici-

1 pants covered by the plan on March 31, 2021 is at least  
2 80 percent of the number of active participants covered  
3 by the plan on March 13, 2020.

4 **SEC. 210. TEMPORARY ALLOWANCE OF FULL DEDUCTION**  
5 **FOR BUSINESS MEALS.**

6 (a) IN GENERAL.—Section 274(n)(2) of the Internal  
7 Revenue Code of 1986 is amended by striking “or” at the  
8 end of subparagraph (B), by striking the period at the  
9 end of subparagraph (C)(iv) and inserting “, or”, and by  
10 inserting after subparagraph (C) the following new sub-  
11 paragraph:

12 “(D) such expense is—

13 “(i) for food or beverages provided by  
14 a restaurant, and

15 “(ii) paid or incurred before January  
16 1, 2023.”.

17 (b) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to amounts paid or incurred after  
19 December 31, 2020.

20 **SEC. 211. TEMPORARY SPECIAL RULE FOR DETERMINA-**  
21 **TION OF EARNED INCOME.**

22 (a) IN GENERAL.—If the earned income of the tax-  
23 payer for the taxpayer’s first taxable year beginning in  
24 2020 is less than the earned income of the taxpayer for  
25 the preceding taxable year, the credits allowed under sec-

1 tions 24(d) and 32 of the Internal Revenue Code of 1986  
2 may, at the election of the taxpayer, be determined by sub-  
3 stituting—

4 (1) such earned income for the preceding tax-  
5 able year, for

6 (2) such earned income for the taxpayer's first  
7 taxable year beginning in 2020.

8 (b) EARNED INCOME.—

9 (1) IN GENERAL.—For purposes of this section,  
10 the term “earned income” has the meaning given  
11 such term under section 32(c) of the Internal Rev-  
12 enue Code of 1986.

13 (2) APPLICATION TO JOINT RETURNS.—For  
14 purposes of subsection (a), in the case of a joint re-  
15 turn, the earned income of the taxpayer for the pre-  
16 ceding taxable year shall be the sum of the earned  
17 income of each spouse for such preceding taxable  
18 year.

19 (c) SPECIAL RULES.—

20 (1) ERRORS TREATED AS MATHEMATICAL  
21 ERROR.—For purposes of section 6213 of the Inter-  
22 nal Revenue Code of 1986, an incorrect use on a re-  
23 turn of earned income pursuant to subsection (a)  
24 shall be treated as a mathematical or clerical error.

1           (2) NO EFFECT ON DETERMINATION OF GROSS  
2           INCOME, ETC.—Except as otherwise provided in this  
3           section, the Internal Revenue Code of 1986 shall be  
4           applied without regard to any substitution under  
5           subsection (a).

6   **SEC. 212. CERTAIN CHARITABLE CONTRIBUTIONS DEDUCT-**  
7                           **IBLE BY NON-ITEMIZERS.**

8           (a) IN GENERAL.—Section 170 is amended by redess-  
9           ignating subsection (p) as subsection (q) and by inserting  
10          after subsection (o) the following new subsection:

11          “(p) SPECIAL RULE FOR TAXPAYERS WHO DO NOT  
12          ELECT TO ITEMIZE DEDUCTIONS.—In the case of any  
13          taxable year beginning in 2021, if the individual does not  
14          elect to itemize deductions for such taxable year, the de-  
15          duction under this section shall be equal to the deduction,  
16          not in excess of \$300 ( \$600 in the case of a joint return),  
17          which would be determined under this section if the only  
18          charitable contributions taken into account in determining  
19          such deduction were contributions made in cash during  
20          such taxable year (determined without regard to sub-  
21          sections (b)(1)(G)(ii) and (d)(1)) to an organization de-  
22          scribed in section 170(b)(1)(A) and not—

23                   “(1) to an organization described in section  
24                   509(a)(3), or

1           “(2) for the establishment of a new, or mainte-  
2           nance of an existing, donor advised fund (as defined  
3           in section 4966(d)(2)).”.

4           (b) PENALTY FOR UNDERPAYMENTS ATTRIBUTABLE  
5 TO OVERSTATED DEDUCTION.—

6           (1) IN GENERAL.—Section 6662(b) is amended  
7           by inserting after paragraph (8) the following:

8           “(9) Any overstatement of the deduction pro-  
9           vided in section 170(p).”.

10           (2) INCREASED PENALTY.—Section 6662 is  
11           amended by adding at the end the following new  
12           subsection:

13           “(1) INCREASE IN PENALTY IN CASE OF OVERSTATE-  
14           MENT OF QUALIFIED CHARITABLE CONTRIBUTIONS.—In  
15           the case of any portion of an underpayment which is at-  
16           tributable to one or more overstatements of the deduction  
17           provided in section 170(p), subsection (a) shall be applied  
18           with respect to such portion by substituting ‘50 percent’  
19           for ‘20 percent’.”.

20           (3) EXCEPTION TO APPROVAL OF ASSESS-  
21           MENT.—Section 6751(b)(2)(A) is amended by strik-  
22           ing “or 6655” and inserting “6655, or 6662 (but  
23           only with respect to an addition to tax by reason of  
24           subsection (b)(9) thereof)”.

25           (b) CONFORMING AMENDMENTS.—





1 (b) CONFORMING AMENDMENT.—The heading of sec-  
2 tion 2205 of the CARES Act is amended by striking  
3 “**MODIFICATION OF LIMITATIONS ON CHARITABLE**  
4 **CONTRIBUTIONS DURING 2020**” and inserting “**TEM-**  
5 **PORARY MODIFICATION OF LIMITATIONS ON CHARI-**  
6 **TABLE CONTRIBUTIONS**”.

7 (c) EFFECTIVE DATE.—The amendments made by  
8 this section shall apply to contributions made after De-  
9 cember 31, 2020.

10 **SEC. 214. TEMPORARY SPECIAL RULES FOR HEALTH AND**  
11 **DEPENDENT CARE FLEXIBLE SPENDING AR-**  
12 **RANGEMENTS.**

13 (a) CARRYOVER FROM 2020 PLAN YEAR.—For plan  
14 years ending in 2020, a plan that includes a health flexible  
15 spending arrangement or dependent care flexible spending  
16 arrangement shall not fail to be treated as a cafeteria plan  
17 under the Internal Revenue Code of 1986 merely because  
18 such plan or arrangement permits participants to carry  
19 over (under rules similar to the rules applicable to health  
20 flexible spending arrangements) any unused benefits or  
21 contributions remaining in any such flexible spending ar-  
22 rangement from such plan year to the plan year ending  
23 in 2021.

24 (b) CARRYOVER FROM 2021 PLAN YEAR.—For plan  
25 years ending in 2021, a plan that includes a health flexible

1 spending arrangement or dependent care flexible spending  
2 arrangement shall not fail to be treated as a cafeteria plan  
3 under the Internal Revenue Code of 1986 merely because  
4 such plan or arrangement permits participants to carry  
5 over (under rules similar to the rules applicable to health  
6 flexible spending arrangements) any unused benefits or  
7 contributions remaining in any such flexible spending ar-  
8 rangement from such plan year to the plan year ending  
9 in 2022.

10 (c) EXTENSION OF GRACE PERIODS, ETC.—

11 (1) IN GENERAL.—A plan that includes a  
12 health flexible spending arrangement or dependent  
13 care flexible spending arrangement shall not fail to  
14 be treated as a cafeteria plan under the Internal  
15 Revenue Code of 1986 merely because such plan or  
16 arrangement extends the grace period for a plan  
17 year ending in 2020 or 2021 to 12 months after the  
18 end of such plan year, with respect to unused bene-  
19 fits or contributions remaining in a health flexible  
20 spending arrangement or a dependent care flexible  
21 spending arrangement.

22 (2) POST-TERMINATION REIMBURSEMENTS  
23 FROM HEALTH FSAs.—A plan that includes a  
24 health flexible spending arrangement shall not fail to  
25 be treated as a cafeteria plan under the Internal

1 Revenue Code of 1986 merely because such plan or  
2 arrangement allows (under rules similar to the rules  
3 applicable to dependent care flexible spending ar-  
4 rangements) an employee who ceases participation in  
5 the plan during calendar year 2020 or 2021 to con-  
6 tinue to receive reimbursements from unused bene-  
7 fits or contributions through the end of the plan  
8 year in which such participation ceased (including  
9 any grace period, taking into account any modifica-  
10 tion of a grace period permitted under paragraph  
11 (1)).

12 (d) SPECIAL CARRY FORWARD RULE FOR DEPEND-  
13 ENT CARE FLEXIBLE SPENDING ARRANGEMENTS WHERE  
14 DEPENDENT AGED OUT DURING PANDEMIC.—

15 (1) IN GENERAL.—In the case of any eligible  
16 employee, section 21(b)(1)(A) of the Internal Rev-  
17 enue Code of 1986 shall be applied by substituting  
18 “age 14” for “age 13” for purposes of determining  
19 the dependent care assistance which may be paid or  
20 reimbursed with respect to such employee under the  
21 dependent care flexible spending arrangement re-  
22 ferred to in paragraph (3)(A) with respect to such  
23 employee during—

24 (A) the plan year described in paragraph  
25 (3)(A), and

1 (B) in the case of an employee described in  
2 paragraph (3)(B)(ii), the subsequent plan year.

3 (2) APPLICATION TO SUBSEQUENT PLAN YEAR  
4 LIMITED TO UNUSED BALANCE FROM PRECEDING  
5 PLAN YEAR.—Paragraph (1)(B) shall only apply to  
6 so much of the amounts paid for dependent care as-  
7 sistance with respect to the dependents referred to  
8 in paragraph (3)(B) as does not exceed the unused  
9 balance described in paragraph (3)(B)(ii).

10 (3) ELIGIBLE EMPLOYEE.—For purposes of  
11 this section, the term “eligible employee” means any  
12 employee who—

13 (A) is enrolled in a dependent care flexible  
14 spending arrangement for the last plan year  
15 with respect to which the end of the regular en-  
16 rollment period for such plan year was on or  
17 before January 31, 2020, and

18 (B) has one or more dependents (as de-  
19 fined in section 152(a)(1) of the Internal Rev-  
20 enue Code of 1986) who attain the age of 13—

21 (i) during such plan year, or

22 (ii) in the case of an employee who  
23 (after the application of this section) has  
24 an unused balance in the employee’s ac-  
25 count under such arrangement for such

1           plan year (determined as of the close of  
2           the last day on which, under the terms of  
3           the plan, claims for reimbursement may be  
4           made with respect to such plan year), the  
5           subsequent plan year.

6           (e) CHANGE IN ELECTION AMOUNT.—For plan years  
7 ending in 2021, a plan that includes a health flexible  
8 spending arrangement or dependent care flexible spending  
9 arrangement shall not fail to be treated as a cafeteria plan  
10 under the Internal Revenue Code of 1986 merely because  
11 such plan or arrangement allows an employee to make an  
12 election to modify prospectively the amount (but not in  
13 excess of any applicable dollar limitation) of such employ-  
14 ee’s contributions to any such flexible spending arrange-  
15 ment (without regard to any change in status).

16           (f) DEFINITIONS.—Any term used in this section  
17 which is also used in section 106, 125, or 129 of the Inter-  
18 nal Revenue Code of 1986, or the regulations or guidance  
19 thereunder, shall have the same meaning as when used  
20 in such section, regulations, or guidance.

21           (g) PLAN AMENDMENTS.—A plan that includes a  
22 health flexible spending arrangement or dependent care  
23 flexible spending arrangement shall not fail to be treated  
24 as a cafeteria plan under the Internal Revenue Code of  
25 1986 merely because such plan or arrangement is amend-

1 ed pursuant to a provision under this section and such  
2 amendment is retroactive, if—

3 (1) such amendment is adopted not later than  
4 the last day of the first calendar year beginning  
5 after the end of the plan year in which the amend-  
6 ment is effective, and

7 (2) the plan or arrangement is operated con-  
8 sistent with the terms of such amendment during  
9 the period beginning on the effective date of the  
10 amendment and ending on the date the amendment  
11 is adopted.

## 12 **TITLE III—DISASTER TAX** 13 **RELIEF**

### 14 **SEC. 301. DEFINITIONS.**

15 For purposes of this title—

16 (1) **QUALIFIED DISASTER AREA.**—

17 (A) **IN GENERAL.**—The term “qualified  
18 disaster area” means any area with respect to  
19 which a major disaster was declared, during the  
20 period beginning on January 1, 2020, and end-  
21 ing on the date which is 60 days after the date  
22 of the enactment of this Act, by the President  
23 under section 401 of the Robert T. Stafford  
24 Disaster Relief and Emergency Assistance Act  
25 if the incident period of the disaster with re-

1           spect to which such declaration is made begins  
2           on or after December 28, 2019, and on or be-  
3           fore the date of the enactment of this Act.

4           (B) COVID–19 EXCEPTION.—Such term  
5           shall not include any area with respect to which  
6           such a major disaster has been so declared only  
7           by reason of COVID–19.

8           (2) QUALIFIED DISASTER ZONE.—The term  
9           “qualified disaster zone” means that portion of any  
10          qualified disaster area which was determined by the  
11          President, during the period beginning on January  
12          1, 2020, and ending on the date which is 60 days  
13          after the date of the enactment of this Act, to war-  
14          rant individual or individual and public assistance  
15          from the Federal Government under the Robert T.  
16          Stafford Disaster Relief and Emergency Assistance  
17          Act by reason of the qualified disaster with respect  
18          to such disaster area.

19          (3) QUALIFIED DISASTER.—The term “quali-  
20          fied disaster” means, with respect to any qualified  
21          disaster area, the disaster by reason of which a  
22          major disaster was declared with respect to such  
23          area.

24          (4) INCIDENT PERIOD.—The term “incident pe-  
25          riod” means, with respect to any qualified disaster,



1 the period specified by the Federal Emergency Man-  
2 agement Agency as the period during which such  
3 disaster occurred (except that for purposes of this  
4 title such period shall not be treated as ending after  
5 the date which is 30 days after the date of the en-  
6 actment of this Act).

7 **SEC. 302. SPECIAL DISASTER-RELATED RULES FOR USE OF**  
8 **RETIREMENT FUNDS.**

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

11 (1) **IN GENERAL.—**Section 72(t) of the Internal  
12 Revenue Code of 1986 shall not apply to any quali-  
13 fied disaster distribution.

14 (2) **AGGREGATE DOLLAR LIMITATION.—**

15 (A) **IN GENERAL.—**For purposes of this  
16 subsection, the aggregate amount of distribu-  
17 tions received by an individual which may be  
18 treated as qualified disaster distributions for  
19 any taxable year shall not exceed the excess (if  
20 any) of—

21 (i) \$100,000, over

22 (ii) the aggregate amounts treated as  
23 qualified disaster distributions received by  
24 such individual for all prior taxable years.

1           (B) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual would  
2           TIONS.—If a distribution to an individual would  
3           (without regard to subparagraph (A)) be a  
4           qualified disaster distribution, a plan shall not  
5           be treated as violating any requirement of the  
6           Internal Revenue Code of 1986 merely because  
7           the plan treats such distribution as a qualified  
8           disaster distribution, unless the aggregate  
9           amount of such distributions from all plans  
10          maintained by the employer (and any member  
11          of any controlled group which includes the em-  
12          ployer) to such individual exceeds \$100,000.

13          (C) CONTROLLED GROUP.—For purposes  
14          of subparagraph (B), the term “controlled  
15          group” means any group treated as a single  
16          employer under subsection (b), (c), (m), or (o)  
17          of section 414 of the Internal Revenue Code of  
18          1986.

19          (D) SPECIAL RULE FOR INDIVIDUALS AF-  
20          FFECTED BY MORE THAN ONE DISASTER.—The  
21          limitation of subparagraph (A) shall be applied  
22          separately with respect to distributions made  
23          with respect to each qualified disaster.

24          (3) AMOUNT DISTRIBUTED MAY BE REPAYED.—

1           (A) IN GENERAL.—Any individual who re-  
2 ceives a qualified disaster distribution may, at  
3 any time during the 3-year period beginning on  
4 the day after the date on which such distribu-  
5 tion was received, make 1 or more contributions  
6 in an aggregate amount not to exceed the  
7 amount of such distribution to an eligible retire-  
8 ment plan of which such individual is a bene-  
9 ficiary and to which a rollover contribution of  
10 such distribution could be made under section  
11 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or  
12 457(e)(16), of the Internal Revenue Code of  
13 1986, as the case may be.

14           (B) TREATMENT OF REPAYMENTS OF DIS-  
15 TRIBUTIONS FROM ELIGIBLE RETIREMENT  
16 PLANS OTHER THAN IRAS.—For purposes of  
17 the Internal Revenue Code of 1986, if a con-  
18 tribution is made pursuant to subparagraph (A)  
19 with respect to a qualified disaster distribution  
20 from an eligible retirement plan other than an  
21 individual retirement plan, then the taxpayer  
22 shall, to the extent of the amount of the con-  
23 tribution, be treated as having received the  
24 qualified disaster distribution in an eligible roll-  
25 over distribution (as defined in section

1           402(c)(4) of such Code) and as having trans-  
2           ferred the amount to the eligible retirement  
3           plan in a direct trustee to trustee transfer with-  
4           in 60 days of the distribution.

5           (C) TREATMENT OF REPAYMENTS OF DIS-  
6           TRIBUTIONS FROM IRAS.—For purposes of the  
7           Internal Revenue Code of 1986, if a contribu-  
8           tion is made pursuant to subparagraph (A)  
9           with respect to a qualified disaster distribution  
10          from an individual retirement plan (as defined  
11          by section 7701(a)(37) of such Code), then, to  
12          the extent of the amount of the contribution,  
13          the qualified disaster distribution shall be treat-  
14          ed as a distribution described in section  
15          408(d)(3) of such Code and as having been  
16          transferred to the eligible retirement plan in a  
17          direct trustee to trustee transfer within 60 days  
18          of the distribution.

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

21               (A) QUALIFIED DISASTER DISTRIBUTION.—Except as provided in paragraph (2),  
22               the term “qualified disaster distribution” means  
23               any distribution from an eligible retirement  
24               plan made—  
25

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1 (i) on or after the first day of the inci-  
2 cident period of a qualified disaster and  
3 before the date which is 180 days after the  
4 date of the enactment of this Act, and

5 (ii) to an individual whose principal  
6 place of abode at any time during the inci-  
7 dent period of such qualified disaster is lo-  
8 cated in the qualified disaster area with re-  
9 spect to such qualified disaster and who  
10 has sustained an economic loss by reason  
11 of such qualified disaster.

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

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

19 (A) IN GENERAL.—In the case of any  
20 qualified disaster distribution, unless the tax-  
21 payer elects not to have this paragraph apply  
22 for any taxable year, any amount required to be  
23 included in gross income for such taxable year  
24 shall be so included ratably over the 3-taxable-  
25 year period beginning with such taxable year.

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

5 (6) SPECIAL RULES.—

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

13 (B) QUALIFIED DISASTER DISTRIBUTIONS  
14 TREATED AS MEETING PLAN DISTRIBUTION RE-  
15 QUIREMENTS.—For purposes of the Internal  
16 Revenue Code of 1986, a qualified disaster dis-  
17 tribution shall be treated as meeting the re-  
18 quirements of sections 401(k)(2)(B)(i),  
19 403(b)(7)(A)(i), 403(b)(11), and 457(d)(1)(A)  
20 of such Code and section 8433(h)(1) of title 5,  
21 United States Code, and, in the case of a  
22 money purchase pension plan, a qualified dis-  
23 aster distribution which is an in-service with-  
24 drawal shall be treated as meeting the distribu-  
25 tion rules of section 401(a) of such Code.

1 (b) RECONTRIBUTIONS OF WITHDRAWALS FOR  
2 HOME PURCHASES.—

3 (1) RECONTRIBUTIONS.—

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

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

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

23 (A) described in section  
24 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(i)(V),

1           403(b)(11)(B), or 72(t)(2)(F), of the Internal  
2           Revenue Code of 1986,

3                   (B) which was to be used to purchase or  
4           construct a principal residence in a qualified  
5           disaster area, but which was not so used on ac-  
6           count of the qualified disaster with respect to  
7           such area, and

8                   (C) which was received during the period  
9           beginning on the date which is 180 days before  
10          the first day of the incident period of such  
11          qualified disaster and ending on the date which  
12          is 30 days after the last day of such incident  
13          period.

14          (3) APPLICABLE PERIOD.—For purposes of this  
15          subsection, the term “applicable period” means, in  
16          the case of a principal residence in a qualified dis-  
17          aster area with respect to any qualified disaster, the  
18          period beginning on the first day of the incident pe-  
19          riod of such qualified disaster and ending on the  
20          date which is 180 days after the date of the enact-  
21          ment of this Act.

22          (c) LOANS FROM QUALIFIED PLANS.—

23                   (1) INCREASE IN LIMIT ON LOANS NOT TREAT-  
24          ED AS DISTRIBUTIONS.—In the case of any loan  
25          from a qualified employer plan (as defined under



1 section 72(p)(4) of the Internal Revenue Code of  
2 1986) to a qualified individual made during the 180-  
3 day period beginning on the date of the enactment  
4 of this Act—

5 (A) clause (i) of section 72(p)(2)(A) of  
6 such Code shall be applied by substituting “  
7 \$100,000” for “ \$50,000”, and

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

14 (2) DELAY OF REPAYMENT.—In the case of a  
15 qualified individual (with respect to any qualified  
16 disaster) with an outstanding loan (on or after the  
17 first day of the incident period of such qualified dis-  
18 aster) from a qualified employer plan (as defined in  
19 section 72(p)(4) of the Internal Revenue Code of  
20 1986)—

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

1 disaster and ending on the date which is 180  
2 days after the last day of such incident period,  
3 such due date shall be delayed for 1 year (or,  
4 if later, until the date which is 180 days after  
5 the date of the enactment of this Act),

6 (B) any subsequent repayments with re-  
7 spect to any such loan shall be appropriately  
8 adjusted to reflect the delay in the due date  
9 under subparagraph (A) and any interest accru-  
10 ing during such delay, and

11 (C) in determining the 5-year period and  
12 the term of a loan under subparagraph (B) or  
13 (C) of section 72(p)(2) of such Code, the period  
14 described in subparagraph (A) of this para-  
15 graph shall be disregarded.

16 (3) QUALIFIED INDIVIDUAL.—For purposes of  
17 this subsection, the term “qualified individual”  
18 means any individual—

19 (A) whose principal place of abode at any  
20 time during the incident period of any qualified  
21 disaster is located in the qualified disaster area  
22 with respect to such qualified disaster, and

23 (B) who has sustained an economic loss by  
24 reason of such qualified disaster.

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

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

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

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

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

18 (ii) on or before the last day of the  
19 first plan year beginning on or after Janu-  
20 ary 1, 2022, or such later date as the Sec-  
21 retary may prescribe.

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

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

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

5                   (i) during the period—

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

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

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

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

21 **SEC. 303. EMPLOYEE RETENTION CREDIT FOR EMPLOYERS**

22 **AFFECTED BY QUALIFIED DISASTERS.**

23           (a) IN GENERAL.—For purposes of section 38 of the  
24 Internal Revenue Code of 1986, in the case of an eligible  
25 employer, the 2020 qualified disaster employee retention

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1 credit shall be treated as a credit listed at the end of sub-  
2 section (b) of such section. For purposes of this sub-  
3 section, the 2020 qualified disaster employee retention  
4 credit for any taxable year is an amount equal to 40 per-  
5 cent of the qualified wages with respect to each eligible  
6 employee of such employer for such taxable year. The  
7 amount of qualified wages with respect to any employee  
8 which may be taken into account under this subsection  
9 by the employer for any taxable year shall not exceed  
10 \$6,000 (reduced by the amount of qualified wages with  
11 respect to such employee taken into account for any prior  
12 taxable year).

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

14 (1) ELIGIBLE EMPLOYER.—The term “eligible  
15 employer” means any employer—

16 (A) which conducted an active trade or  
17 business in a qualified disaster zone at any time  
18 during the incident period of the qualified dis-  
19 aster with respect to such qualified disaster  
20 zone, and

21 (B) with respect to whom the trade or  
22 business described in subparagraph (A) is inop-  
23 erable at any time during the period beginning  
24 on the first day of the incident period of such  
25 qualified disaster and ending on the date of the

1           enactment of this Act, as a result of damage  
2           sustained by reason of such qualified disaster.

3           (2) ELIGIBLE EMPLOYEE.—The term “eligible  
4           employee” means with respect to an eligible em-  
5           ployer an employee whose principal place of employ-  
6           ment with such eligible employer (determined imme-  
7           diately before the qualified disaster referred to in  
8           paragraph (1)) was in the qualified disaster zone re-  
9           ferred to in such paragraph.

10           (3) QUALIFIED WAGES.—The term “qualified  
11           wages” means wages (as defined in section 51(c)(1)  
12           of the Internal Revenue Code of 1986, but without  
13           regard to section 3306(b)(2)(B) of such Code) paid  
14           or incurred by an eligible employer with respect to  
15           an eligible employee at any time on or after the date  
16           on which the trade or business described in para-  
17           graph (1) first became inoperable at the principal  
18           place of employment of the employee (determined  
19           immediately before the qualified disaster referred to  
20           in such paragraph) and before the earlier of—

21                   (A) the date on which such trade or busi-  
22                   ness has resumed significant operations at such  
23                   principal place of employment, or

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1 (B) the date which is 150 days after the  
2 last day of the incident period of the qualified  
3 disaster referred to in paragraph (1).

4 Such term shall include wages paid without regard  
5 to whether the employee performs no services, per-  
6 forms services at a different place of employment  
7 than such principal place of employment, or per-  
8 forms services at such principal place of employment  
9 before significant operations have resumed. Such  
10 term shall not include any wages taken into account  
11 under section 2301 of the CARES Act.

12 (c) SPECIAL RULES.—

13 (1) DENIAL OF DOUBLE BENEFIT.—Any wages  
14 taken into account in determining any credit allowed  
15 under this section shall not be taken into account as  
16 wages for purposes of sections 41, 45A, 45P, 45S,  
17 51, and 1396 of the Internal Revenue Code of 1986.

18 (2) CERTAIN OTHER RULES TO APPLY.—For  
19 purposes of this section, rules similar to the rules of  
20 sections 51(i)(1), 52, and 280C(a) of the Internal  
21 Revenue Code of 1986 shall apply.

22 (d) PAYROLL TAX CREDIT FOR CERTAIN TAX-EX-  
23 EMPT ORGANIZATIONS.—

24 (1) IN GENERAL.—In the case of any qualified  
25 tax-exempt organization, there shall be allowed as a

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1 credit against the tax imposed by section 3111(a) of  
2 the Internal Revenue Code of 1986 on wages paid  
3 with respect to employment of all employees of the  
4 organization during the calendar quarter an amount  
5 equal to 40 percent of the qualified wages paid to  
6 eligible employees of such organization during such  
7 calendar quarter.

8 (2) APPLICATION OF AGGREGATE DOLLAR LIM-  
9 TATION PER EMPLOYEE.—The amount of qualified  
10 wages with respect to any employee which may be  
11 taken into account under this subsection by the em-  
12 ployer for any calendar quarter shall not exceed  
13 \$6,000 (reduced by the amount of qualified wages  
14 with respect to which credit was allowed under this  
15 subsection for any prior calendar quarter with re-  
16 spect to such employee).

17 (3) OVERALL LIMITATION.—

18 (A) IN GENERAL.—The aggregate amount  
19 allowed as a credit under this subsection for all  
20 eligible employees of any employer for any cal-  
21 endar quarter shall not exceed the amount of  
22 the tax imposed by section 3111(a) of the Inter-  
23 nal Revenue Code of 1986 on wages paid with  
24 respect to employment of all employees of such  
25 employer during such calendar quarter (reduced



1 by any credits allowed under subsections (e)  
2 and (f) of section 3111 of such Code for such  
3 quarter).

4 (B) CARRYFORWARD.—If the amount of  
5 the credit under paragraph (1) exceeds the limi-  
6 tation of subparagraph (A) for any calendar  
7 quarter, such excess shall be carried to the suc-  
8 ceeding calendar quarter and allowed as a cred-  
9 it under paragraph (1) for such quarter.

10 (C) COORDINATION WITH OTHER PAYROLL  
11 TAX CREDITS.—

12 (i) Section 7001(b)(3) of the Families  
13 First Coronavirus Response Act is amend-  
14 ed by inserting “, and section 303(d) of  
15 the Taxpayer Certainty and Disaster Tax  
16 Relief Act of 2020,” after “subsections (e)  
17 and (f) of section 3111 of such Code”.

18 (ii) Section 7003(b)(2) of the Families  
19 First Coronavirus Response Act is amend-  
20 ed by striking “and section 7001 of this  
21 Act,” and inserting “section 7001 of this  
22 Act, and section 303(d) of the Taxpayer  
23 Certainty and Disaster Tax Relief Act of  
24 2020,”.

1 (iii) Section 2301(b)(2) of the CARES  
2 Act is amended by striking “and sections  
3 7001 and 7003 of the Families First  
4 Coronavirus Response Act” and inserting  
5 “, sections 7001 and 7003 of the Families  
6 First Coronavirus Response Act, and sec-  
7 tion 303(d) of the Taxpayer Certainty and  
8 Disaster Tax Relief Act of 2020”.

9 (4) DEFINITIONS.—

10 (A) QUALIFIED TAX-EXEMPT ORGANIZA-  
11 TION.—For purposes of this subsection, the  
12 term “qualified tax-exempt organization” means  
13 an organization described in section 501(c) of  
14 the Internal Revenue Code of 1986 and exempt  
15 from taxation under section 501(a) of such  
16 Code if such organization would be an eligible  
17 employer if the activities of such organization  
18 were an active trade or business.

19 (B) APPLICATION OF CERTAIN TERMS  
20 WITH RESPECT TO QUALIFIED TAX-EXEMPT OR-  
21 GANIZATIONS.—For purposes of this subsection,  
22 the terms “eligible employee” and “qualified  
23 wages” shall be applied with respect to any  
24 qualified tax-exempt organization—

1 (i) by treating the activities of such  
2 organization as an active trade or business,  
3 and

4 (ii) by substituting “wages (within the  
5 meaning of subsection (d)(4)(C))” for  
6 “wages (as defined in section 51(c)(1) of  
7 the Internal Revenue Code of 1986, but  
8 without regard to section 3306(b)(2)(B) of  
9 such Code)” in subsection (b)(3).

10 (C) OTHER TERMS.—Except as otherwise  
11 provided in this subsection, any term used in  
12 this subsection which is also used in chapter 21  
13 or 22 of the Internal Revenue Code of 1986  
14 shall have the same meaning as when used in  
15 such chapter.

16 (5) TRANSFERS TO CERTAIN TRUST FUNDS.—  
17 There are hereby appropriated to the Federal Old-  
18 Age and Survivors Insurance Trust Fund and the  
19 Federal Disability Insurance Trust Fund established  
20 under section 201 of the Social Security Act (42  
21 U.S.C. 401) and the Social Security Equivalent Ben-  
22 efit Account established under section 15A(a) of the  
23 Railroad Retirement Act of 1974 (45 U.S.C. 231n-  
24 1(a)) amounts equal to the reduction in revenues to  
25 the Treasury by reason of this subsection (without

1 regard to this paragraph). Amounts appropriated by  
2 the preceding sentence shall be transferred from the  
3 general fund at such times and in such manner as  
4 to replicate to the extent possible the transfers  
5 which would have occurred to such Trust Fund or  
6 Account had this subsection not been enacted.

7 (6) TREATMENT OF DEPOSITS.—The Secretary  
8 shall waive any penalty under section 6656 of such  
9 Code for any failure to make a deposit of applicable  
10 employment taxes if the Secretary determines that  
11 such failure was due to the anticipation of the credit  
12 allowed under this subsection.

13 (7) THIRD PARTY PAYORS.—Any credit allowed  
14 under this subsection shall be treated as a credit de-  
15 scribed in section 3511(d)(2) of such Code.

16 (8) COORDINATION WITH SUBSECTION (a)  
17 CREDIT.—Any wages taken into account in deter-  
18 mining the credit allowed under this subsection shall  
19 not be take into account as wages for purposes of  
20 subsection (a).

21 (9) REGULATIONS AND GUIDANCE.—The Sec-  
22 retary shall issue such forms, instructions, regula-  
23 tions, and guidance as are necessary—

24 (A) to allow the advance payment of the  
25 credit under paragraph (1), subject to the limi-

1 tations provided in this subsection, based on  
2 such information as the Secretary shall require,

3 (B) regulations or other guidance to pro-  
4 vide for the reconciliation of such advance pay-  
5 ment with the amount of the credit under this  
6 subsection at the time of filing the return of tax  
7 for the applicable quarter or taxable year,

8 (C) with respect to the application of the  
9 credit under paragraph (1) to third party  
10 payors (including professional employer organi-  
11 zations, certified professional employer organi-  
12 zations, or agents under section 3504 of the In-  
13 ternal Revenue Code of 1986), including regula-  
14 tions or guidance allowing such payors to sub-  
15 mit documentation necessary to substantiate  
16 the eligible employer status of employers that  
17 use such payors, and

18 (D) for recapturing the benefit of credits  
19 determined under this subsection in cases where  
20 there is a subsequent adjustment to the credit  
21 determined under paragraph (1).

22 (e) ELECTION TO NOT TAKE CERTAIN WAGES INTO  
23 ACCOUNT.—

24 (1) IN GENERAL.—This section shall not apply  
25 to qualified wages paid by an eligible employer with

1       respect to which such employer makes an election  
2       (at such time and in such manner as the Secretary  
3       may prescribe) to have this section not apply to such  
4       wages.

5           (2) COORDINATION WITH PAYCHECK PROTEC-  
6       TION PROGRAM.—The Secretary, in consultation  
7       with the Administrator of the Small Business Ad-  
8       ministration, shall issue guidance providing that  
9       payroll costs paid or incurred during the covered pe-  
10      riod shall not fail to be treated as qualified wages  
11      under this section by reason of an election under  
12      paragraph (1) to the extent that a covered loan of  
13      the eligible employer is not forgiven by reason of a  
14      decision under section 7A(g) of the Small Business  
15      Act. Terms used in the preceding sentence which are  
16      also used in section 7A(g) of such Act shall have the  
17      same meaning as when used in such section.

18      (f) CERTAIN GOVERNMENTAL EMPLOYERS.—

19           (1) IN GENERAL.—The credits under this sec-  
20      tion shall not apply to the Government of the United  
21      States, the government of any State or political sub-  
22      division thereof, or any agency or instrumentality of  
23      any of the foregoing.

24           (2) EXCEPTION.—Paragraph (1) shall not  
25      apply to—

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1 (A) any organization described in section  
2 501(c)(1) of the Internal Revenue Code of 1986  
3 and exempt from tax under section 501(a) of  
4 such Code, or

5 (B) any entity described in paragraph (1)  
6 if —

7 (i) such entity is a college or univer-  
8 sity, or

9 (ii) the principal purpose or function  
10 of such entity is providing medical or hos-  
11 pital care.

12 An entity described in subparagraph (B) shall  
13 be treated for purposes of this section in the  
14 same manner as an organization described in  
15 section 501(c) of the Internal Revenue Code of  
16 1986 and exempt from tax under section 501(a)  
17 of such Code.

18 (g) AMENDMENT TO PAYCHECK PROTECTION PRO-  
19 GRAM.—Section 7A(a)(12) of the Small Business Act (as  
20 redesignated, transferred, and amended by the Economic  
21 Aid to Hard-Hit Small Businesses, Nonprofits, and  
22 Venues Act and as amended by section 206(c) of this divi-  
23 sion) is amended by adding at the end the following:  
24 “Such payroll costs shall not include qualified wages taken  
25 into account in determining the credit allowed under sub-

1 section (a) or (d) of section 303 of the Taxpayer Certainty  
2 and Disaster Tax Relief Act of 2020.”.

3 **SEC. 304. OTHER DISASTER-RELATED TAX RELIEF PROVI-**  
4 **SIONS.**

5 (a) SPECIAL RULES FOR QUALIFIED DISASTER RE-  
6 LIEF CONTRIBUTIONS.—

7 (1) IN GENERAL.—In the case of a qualified  
8 disaster relief contribution made by a corporation—

9 (A) section 2205(a)(2)(B) of the CARES  
10 Act shall be applied first to qualified contribu-  
11 tions without regard to any qualified disaster  
12 relief contributions and then separately to such  
13 qualified disaster relief contribution, and

14 (B) in applying such section to such quali-  
15 fied disaster relief contributions, clause (i)  
16 thereof shall be applied—

17 (i) by substituting “100 percent” for  
18 “25 percent”, and

19 (ii) by treating qualified contributions  
20 other than qualified disaster relief con-  
21 tributions as contributions allowed under  
22 section 170(b)(2) of the Internal Revenue  
23 Code of 1986.

24 (2) QUALIFIED DISASTER RELIEF CONTRIBU-  
25 TION.—For purposes of this subsection, the term



1 “qualified disaster relief contribution” means any  
2 qualified contribution (as defined in section  
3 2205(a)(3) of the CARES Act) if—

4 (A) such contribution—

5 (i) is paid, during the period begin-  
6 ning on January 1, 2020, and ending on  
7 the date which is 60 days after the date of  
8 the enactment of this Act, and

9 (ii) is made for relief efforts in one or  
10 more qualified disaster areas,

11 (B) the taxpayer obtains from such organi-  
12 zation contemporaneous written acknowledg-  
13 ment (within the meaning of section 170(f)(8)  
14 of such Code) that such contribution was used  
15 (or is to be used) for relief efforts described in  
16 subparagraph (A)(ii), and

17 (C) the taxpayer has elected the applica-  
18 tion of this subsection with respect to such con-  
19 tribution.

20 (3) CROSS-REFERENCE.—For the suspension of  
21 the limitation on qualified disaster relief contribu-  
22 tions made by an individual during 2020, see section  
23 2205(a) of the CARES Act.

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

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

3           (A) the amount determined under section  
4 165(h)(2)(A)(ii) of the Internal Revenue Code  
5 of 1986 shall be equal to the sum of—

6           (i) such net disaster loss, and

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

13           (B) in the case of qualified disaster-related  
14 personal casualty losses, section 165(h)(1) of  
15 such Code shall be applied to by substituting “  
16 \$500” for “ \$500 ( \$100 for taxable years be-  
17 ginning after December 31, 2009)”,

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

21           (D) section 56(b)(1)(E) of such Code shall  
22 not apply to so much of the standard deduction  
23 as is attributable to the increase under sub-  
24 paragraph (C) of this paragraph.

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

7           (3) QUALIFIED DISASTER-RELATED PERSONAL  
8 CASUALTY LOSSES.—For purposes of this sub-  
9 section, the term “qualified disaster-related personal  
10 casualty losses” means losses described in section  
11 165(c)(3) of the Internal Revenue Code of 1986  
12 which arise in a qualified disaster area on or after  
13 the first day of the incident period of the qualified  
14 disaster to which such area relates, and which are  
15 attributable to such qualified disaster.

16 **SEC. 305. LOW-INCOME HOUSING TAX CREDIT.**

17           (a) ADDITIONAL LOW-INCOME HOUSING CREDIT AL-  
18 LOCATIONS.—

19           (1) IN GENERAL.—For purposes of section 42  
20 of the Internal Revenue Code of 1986, the State  
21 housing credit ceiling for any State for each of cal-  
22 endar years 2021 and 2022 shall be increased by the  
23 aggregate housing credit dollar amount allocated by  
24 the State housing credit agencies of such State for

1 such calendar year to buildings located in any quali-  
2 fied disaster zone in such State.

3 (2) LIMITATION.—

4 (A) APPLICATION OF AGGREGATE LIMITA-  
5 TION.—The increase determined under para-  
6 graph (1) with respect to any State shall not  
7 exceed—

8 (i) in the case of any such increase  
9 determined for calendar year 2021, the ap-  
10 plicable dollar limitation for such State,  
11 and

12 (ii) in the case of any such increase  
13 determined for calendar year 2022, the ap-  
14 plicable dollar limitation for such State re-  
15 duced by the amount of any increase deter-  
16 mined under paragraph (1) with respect to  
17 such State for calendar year 2021.

18 (B) APPLICABLE DOLLAR LIMITATION.—  
19 For purposes of this paragraph, the term “ap-  
20 plicable dollar limitation” means, with respect  
21 to any State, the lesser of—

22 (i) the product of \$3.50 multiplied by  
23 the population of such State (as deter-  
24 mined for calendar year 2020) which re-

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1 sides in qualified disaster zones in such  
2 State, or

3 (ii) 65 percent of the State housing  
4 credit ceiling for such State for calendar  
5 year 2020.

6 (3) EXTENSION OF PLACED IN SERVICE DEAD-  
7 LINE FOR DESIGNATED HOUSING CREDIT DOLLAR  
8 AMOUNTS.—

9 (A) IN GENERAL.—In the case of any  
10 housing credit dollar amount which is allocated  
11 by a State housing credit agency of a State for  
12 calendar year 2021 or 2022 to a building lo-  
13 cated in a qualified disaster zone in such State  
14 and which is designated (at such time and in  
15 such manner as the Secretary may provide) by  
16 such State housing credit agency as housing  
17 credit dollar amount to which this paragraph  
18 applies, section 42(h)(1)(E) of the Internal  
19 Revenue Code of 1986 shall be applied—

20 (i) by substituting “third calendar  
21 year” for “second calendar year” both  
22 places it appears, and

23 (ii) by substituting “2 years” for “1  
24 year” in clause (ii) thereof.

1           (B) APPLICATION OF LIMITATION.—The  
2           aggregate amount of housing credit dollar  
3           amount designated under subparagraph (A) for  
4           any calendar year by all State housing credit  
5           agencies of a State shall not exceed the amount  
6           determined under paragraph (2)(A) with re-  
7           spect to such State for such calendar year.

8           (4) ALLOCATIONS TREATED AS MADE FIRST  
9           FROM ADDITIONAL ALLOCATION FOR PURPOSES OF  
10          DETERMINING CARRYOVER.—For purposes of deter-  
11          mining the unused State housing credit ceiling for  
12          any calendar year under section 42(h)(3)(C) of the  
13          Internal Revenue Code of 1986, any increase in the  
14          State housing credit ceiling under paragraph (1)  
15          shall be treated as an amount described in clause (ii)  
16          of such section.

17 **SEC. 306. TREATMENT OF CERTAIN POSSESSIONS.**

18          (a) PAYMENTS TO POSSESSIONS WITH MIRROR  
19          CODE TAX SYSTEMS.—The Secretary of the Treasury  
20          shall pay to each possession of the United States which  
21          has a mirror code tax system amounts equal to the loss  
22          (if any) to that possession by reason of the application  
23          of the provisions of this title. Such amounts shall be deter-  
24          mined by the Secretary of the Treasury based on informa-

1 tion provided by the government of the respective posses-  
2 sion.

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

15 (c) MIRROR CODE TAX SYSTEM.—For purposes of  
16 this section, the term “mirror code tax system” means,  
17 with respect to any possession of the United States, the  
18 income tax system of such possession if the income tax  
19 liability of the residents of such possession under such sys-  
20 tem is determined by reference to the income tax laws of  
21 the United States as if such possession were the United  
22 States.

23 (d) TREATMENT OF PAYMENTS.—For purposes of  
24 section 1324 of title 31, United States Code, the payments  
25 under this section shall be treated in the same manner

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1 as a refund due from a credit provision referred to in sub-  
2 section (b)(2) of such section.