

119TH CONGRESS
1ST SESSION

H. R. 140

To provide tax relief for damages relating to Hurricanes Helene and Milton.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 2025

Mr. BUCHANAN introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To provide tax relief for damages relating to Hurricanes
Helene and Milton.

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Hurricane Helene and Milton Tax Relief Act of 2025”.

6 (b) **TABLE OF CONTENTS.**—

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

Sec. 3. Earned income credit determined based on preceding taxable year in-
come with respect to qualified hurricane disaster areas.

Sec. 4. Increased limitation on charitable contributions for qualified hurricane
disaster relief; certain contributions paid before April 15, 2025,
treated as paid in 2024.

Sec. 5. Special hurricane disaster-related rules for use of retirement funds.

1 **SEC. 2. DEFINITIONS.**

2 For purposes of this Act—

3 (a) **ELIGIBLE INDIVIDUAL.**—The term “eligible indi-
4 vidual” means an individual whose principal place of abode
5 at any time during the incident period is located in the
6 qualified hurricane disaster area and who has sustained
7 an economic loss by reason of Hurricane Helene or Hurri-
8 cane Milton.

9 (b) **QUALIFIED HURRICANE DISASTER AREA.**—The
10 term “qualified hurricane disaster area” means an area
11 with respect to which a major disaster has been declared
12 by the President (before the date of the enactment of this
13 Act) under section 401 of the Robert T. Stafford Disaster
14 Relief and Emergency Assistance Act by reason of Hurri-
15 cane Helene or Hurricane Milton.

16 (c) **INCIDENT PERIOD.**—The term “incident period”
17 means the period beginning on September 28, 2024, and
18 ending on November 2, 2024.

19 **SEC. 3. EARNED INCOME CREDIT DETERMINED BASED ON**
20 **PRECEDING TAXABLE YEAR INCOME WITH**
21 **RESPECT TO QUALIFIED HURRICANE DIS-**
22 **ASTER AREAS.**

23 (a) **IN GENERAL.**—In the case of an eligible indi-
24 vidual, if the earned income of the taxpayer for the appli-
25 cable taxable year is less than the earned income of the
26 taxpayer for the preceding taxable year, the credit allowed

1 under section 32 of the Internal Revenue Code of 1986
2 for the applicable taxable year may, at the election of the
3 taxpayer, be determined by substituting—

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

6 (2) such earned income for the applicable tax-
7 able year.

8 (b) APPLICABLE TAX YEAR.—For purposes of this
9 section, the term “applicable taxable year” means any tax-
10 able year which includes any portion of the incident pe-
11 riod.

12 (c) EARNED INCOME.—For purposes of this section,
13 the term “earned income” has the meaning given such
14 term under section 32(c) of such Code.

15 (d) SPECIAL RULES.—

16 (1) APPLICATION TO JOINT RETURNS.—For
17 purposes of subsection (a), in the case of a joint re-
18 turn for an applicable taxable year—

19 (A) such subsection shall apply if either
20 spouse is an eligible individual, and

21 (B) the earned income of the taxpayer for
22 the preceding taxable year shall be the sum of
23 the earned income of each spouse for such pre-
24 ceding taxable year.

1 (2) ERRORS TREATED AS MATHEMATICAL
2 ERROR.—For purposes of section 6213 of such
3 Code, an incorrect use on a return of earned income
4 pursuant to subsection (a) shall be treated as a
5 mathematical or clerical error.

6 (3) NO EFFECT ON DETERMINATION OF GROSS
7 INCOME, ETC.—Except as otherwise provided in this
8 section, such Code shall be applied without regard to
9 any substitution under subsection (a).

10 (4) LIMITATION TO SINGLE TAXABLE YEAR.—
11 No taxpayer may make an election under subsection
12 (a) if such taxpayer (or in the case of a joint return,
13 the taxpayer’s spouse) made such an election for any
14 preceding taxable year.

15 **SEC. 4. INCREASED LIMITATION ON CHARITABLE CON-**
16 **TRIBUTIONS FOR QUALIFIED HURRICANE**
17 **DISASTER RELIEF; CERTAIN CONTRIBUTIONS**
18 **PAID BEFORE APRIL 15, 2025, TREATED AS**
19 **PAID IN 2024.**

20 (a) QUALIFIED HURRICANE DISASTER CONTRIBU-
21 TIONS.—

22 (1) INDIVIDUALS.—In the case of any qualified
23 hurricane disaster contribution, notwithstanding sec-
24 tion 170(b) of such Code, the total amount of such
25 contributions which may be taken into account

1 under section 170(a) of such Code shall not exceed
2 the excess of—

3 (A) the taxpayer's contribution base, over

4 (B) the amount of all other charitable con-
5 tributions allowable under section 170(b)(1) of
6 such Code.

7 (2) CARRYOVER.—

8 (A) IN GENERAL.—If the aggregate
9 amount of contributions described in paragraph
10 (1) exceeds the limitation under such para-
11 graph, such excess shall be treated (in a man-
12 ner consistent with the rules of subsection
13 170(d)(1) of such Code) as a charitable con-
14 tribution to which paragraph (1) applies in each
15 of the 5 succeeding years in order of time.

16 (B) COORDINATION WITH DEDUCTION FOR
17 CHARITABLE CONTRIBUTIONS.—For purposes
18 of applying this paragraph and sections
19 170(b)(1)(G) and 170(d)(1) of such Code, con-
20 tributions described in paragraph (1) shall not
21 be treated as described in subparagraph (A) or
22 (G) of section 170(b)(1) of such Code and such
23 subparagraphs shall be applied without regard
24 to such contributions.

1 (3) APPLICATION OF ELECTION TO PARTNER-
2 SHIPS AND S CORPORATIONS.—In the case of a part-
3 nership or S corporation, the election under sub-
4 section (e)(3)(A)(iii) shall be made separately by
5 each partner or shareholder.

6 (b) CORPORATIONS.—

7 (1) IN GENERAL.—In the case of any qualified
8 hurricane disaster contribution, notwithstanding sec-
9 tion 170(b) of such Code, the total amount of such
10 contributions which may be taken into account
11 under section 170(a) of such Code shall not exceed
12 the excess of—

13 (A) 20 percent of the taxpayer's taxable
14 income, over

15 (B) the amount of charitable contributions
16 allowed under section 170(b)(2)(A) of such
17 Code.

18 (2) CARRYOVER.—If the aggregate amount of
19 contributions described in paragraph (1) exceeds the
20 limitation under such paragraph, such excess shall
21 be treated (in a manner consistent with the rules of
22 section 170(d)(1) of such Code) as a charitable con-
23 tribution to which paragraph (1) applies in each of
24 the 5 succeeding years in order of time.

1 (3) COORDINATION WITH DEDUCTION FOR
2 CHARITABLE CONTRIBUTIONS.—For purposes of ap-
3 plying this paragraph and sections 170(b)(2) of such
4 Code, contributions described in paragraph (1) shall
5 not be treated as described in subparagraph (A),
6 (B), or (C) of section 170(b)(2) of such Code and
7 such subparagraphs shall be applied without regard
8 to such contributions.

9 (c) DEDUCTION ALLOWED ABOVE THE LINE.—In
10 the case of an individual—

11 (1) the standard deduction otherwise deter-
12 mined under section 63 of such Code shall be in-
13 creased by so much of the deduction allowed under
14 section 170 of such Code as would not be so allowed
15 if determined without regard to this section, and

16 (2) section 56(b)(1)(D) of such Code shall not
17 apply to so much of the standard deduction as is at-
18 tributable to the increase under paragraph (1).

19 (d) CONTRIBUTIONS TREATED AS MADE IN PRIOR
20 YEAR.—For purposes of this section, a taxpayer may treat
21 any qualified hurricane disaster contribution which is paid
22 after December 31, 2024, and on or before April 15, 2025,
23 as if such contribution was made on December 31, 2024,
24 and not in 2025.

25 (e) DEFINITIONS.—For purposes of this section—

1 (1) CHARITABLE CONTRIBUTION.—The term
2 “charitable contribution” has the meaning given
3 such term in section 170(c) of such Code.

4 (2) CONTRIBUTION BASE.—The term “con-
5 tribution base” has the meaning given such term in
6 section 170(b)(1)(H) of such Code.

7 (3) QUALIFIED HURRICANE DISASTER CON-
8 TRIBUTION.—

9 (A) IN GENERAL.—The term “qualified
10 hurricane disaster contribution” means any
11 charitable contribution if—

12 (i) such contribution—

13 (I) is paid on or after the first
14 day of the incident period and before
15 December 31, 2025, in cash to an or-
16 ganization described in section
17 170(b)(1)(A) of such Code, and

18 (II) is made for relief efforts in a
19 qualified hurricane disaster area re-
20 lated to Hurricane Helene or Hurri-
21 cane Milton,

22 (ii) the taxpayer obtains from such or-
23 ganization contemporaneous written ac-
24 knowledgment (within the meaning of sec-
25 tion 170(f)(8) of such Code) that such con-

1 tribution was used (or is to be used) for
2 relief efforts in a qualified hurricane dis-
3 aster area related to Hurricane Helene or
4 Hurricane Milton, and

5 (iii) the taxpayer has elected the ap-
6 plication of this section with respect to
7 such contribution.

8 (B) EXCEPTION.—A qualified hurricane
9 disaster contribution shall not include a con-
10 tribution by a donor if the contribution is—

11 (i) to an organization described in sec-
12 tion 509(a)(3) of such Code, or

13 (ii) for establishment of a new, or
14 maintenance of an existing, donor advised
15 fund (as defined in section 4966(d)(2) of
16 such Code).

17 **SEC. 5. SPECIAL HURRICANE DISASTER-RELATED RULES**
18 **FOR USE OF RETIREMENT FUNDS.**

19 (a) TAX-FAVORED WITHDRAWALS FROM RETIRE-
20 MENT PLANS.—

21 (1) IN GENERAL.—Section 72(t) of the Internal
22 Revenue Code of 1986 shall not apply to any quali-
23 fied hurricane disaster distribution.

24 (2) AGGREGATE DOLLAR LIMITATION.—

1 (A) IN GENERAL.—For purposes of this
2 subsection, the aggregate amount of distribu-
3 tions received by an individual which may be
4 treated as qualified hurricane disaster distribu-
5 tions for any taxable year shall not exceed the
6 excess (if any) of—

7 (i) \$100,000, over

8 (ii) the aggregate amounts treated as
9 qualified hurricane disaster distributions
10 received by such individual for all prior
11 taxable years.

12 (B) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual would
13 (without regard to subparagraph (A)) be a
14 qualified hurricane disaster distribution, a plan
15 shall not be treated as violating any require-
16 ment of such Code merely because the plan
17 treats such distribution as a qualified hurricane
18 disaster distribution, unless the aggregate
19 amount of such distributions from all plans
20 maintained by the employer (and any member
21 of any controlled group which includes the em-
22 ployer) to such individual exceeds \$100,000.

23 (C) CONTROLLED GROUP.—For purposes
24 of subparagraph (B), the term “controlled
25

1 group” means any group treated as a single
2 employer under subsection (b), (c), (m), or (o)
3 of section 414 of such Code.

4 (3) AMOUNT DISTRIBUTED MAY BE REPAID.—

5 (A) IN GENERAL.—Any individual who re-
6 ceives a qualified hurricane disaster distribution
7 may, at any time during the 3-year period be-
8 ginning on the day after the date on which such
9 distribution was received, make 1 or more con-
10 tributions in an aggregate amount not to exceed
11 the amount of such distribution to an eligible
12 retirement plan of which such individual is a
13 beneficiary and to which a rollover contribution
14 of such distribution could be made under sec-
15 tion 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or
16 457(e)(16), of such Code, as the case may be.

17 (B) TREATMENT OF REPAYMENTS OF DIS-
18 TRIBUTIONS FROM ELIGIBLE RETIREMENT
19 PLANS OTHER THAN IRAS.—For purposes of
20 such Code, if a contribution is made pursuant
21 to subparagraph (A) with respect to a qualified
22 hurricane disaster distribution from an eligible
23 retirement plan other than an individual retire-
24 ment plan, then the taxpayer shall, to the ex-
25 tent of the amount of the contribution, be treat-

1 ed as having received the qualified hurricane
2 disaster distribution in an eligible rollover dis-
3 tribution (as defined in section 402(c)(4) of
4 such Code) and as having transferred the
5 amount to the eligible retirement plan in a di-
6 rect trustee to trustee transfer within 60 days
7 of the distribution.

8 (C) TREATMENT OF REPAYMENTS OF DIS-
9 TRIBUTIONS FROM IRAS.—For purposes of such
10 Code, if a contribution is made pursuant to
11 subparagraph (A) with respect to a qualified
12 hurricane disaster distribution from an indi-
13 vidual retirement plan (as defined by section
14 7701(a)(37) of such Code), then, to the extent
15 of the amount of the contribution, the qualified
16 hurricane disaster distribution shall be treated
17 as a distribution described in section 408(d)(3)
18 of such Code and as having been transferred to
19 the eligible retirement plan in a direct trustee
20 to trustee transfer within 60 days of the dis-
21 tribution.

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

24 (A) QUALIFIED HURRICANE DISASTER DIS-
25 TRIBUTION.—Except as provided in paragraph

1 (2), the term “qualified hurricane disaster dis-
2 tribution” means any distribution from an eligi-
3 ble retirement plan made—

4 (i) on or after the first day of the in-
5 cident period and before December 31,
6 2025, and

7 (ii) to an eligible individual.

8 (B) ELIGIBLE RETIREMENT PLAN.—The
9 term “eligible retirement plan” shall have the
10 meaning given such term by section
11 402(c)(8)(B) of such Code.

12 (5) INCOME INCLUSION SPREAD OVER 3-YEAR
13 PERIOD.—

14 (A) IN GENERAL.—In the case of any
15 qualified hurricane disaster distribution, unless
16 the taxpayer elects not to have this paragraph
17 apply for any taxable year, any amount re-
18 quired to be included in gross income for such
19 taxable year shall be so included ratably over
20 the 3-taxable-year period beginning with such
21 taxable year.

22 (B) SPECIAL RULE.—For purposes of sub-
23 paragraph (A), rules similar to the rules of sec-
24 tion 408A(d)(3)(E) of such Code shall apply.

25 (6) SPECIAL RULES.—

1 (A) EXEMPTION OF DISTRIBUTIONS FROM
2 TRUSTEE TO TRUSTEE TRANSFER AND WITH-
3 HOLDING RULES.—For purposes of sections
4 401(a)(31), 402(f), and 3405 of such Code,
5 qualified hurricane disaster distributions shall
6 not be treated as eligible rollover distributions.

7 (B) QUALIFIED HURRICANE DISASTER DIS-
8 TRIBUTIONS TREATED AS MEETING PLAN DIS-
9 TRIBUTION REQUIREMENTS.—For purposes of
10 such Code, a qualified hurricane disaster dis-
11 tribution shall be treated as meeting the re-
12 quirements of sections 401(k)(2)(B)(i),
13 403(b)(7)(A)(i), 403(b)(11), and 457(d)(1)(A)
14 of such Code and section 8433(h)(1) of title 5,
15 United States Code, and, in the case of a
16 money purchase pension plan, a qualified hurri-
17 cane disaster distribution which is an in-service
18 withdrawal shall be treated as meeting the dis-
19 tribution rules of section 401(a) of such Code.

20 (b) RECONTRIBUTIONS OF WITHDRAWALS FOR
21 HOME PURCHASES.—

22 (1) RECONTRIBUTIONS.—

23 (A) IN GENERAL.—Any individual who re-
24 ceived a qualified distribution may, during the
25 applicable period, make 1 or more contributions

1 in an aggregate amount not to exceed the
2 amount of such qualified distribution to an eli-
3 gible retirement plan (as defined in section
4 402(c)(8)(B) of such Code) of which such indi-
5 vidual is a beneficiary and to which a rollover
6 contribution of such distribution could be made
7 under section 402(c), 403(a)(4), 403(b)(8), or
8 408(d)(3), of such Code, as the case may be.

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

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

16 (A) described in section
17 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(i)(V),
18 403(b)(11)(B), or 72(t)(2)(F), of such Code,

19 (B) which was to be used to purchase or
20 construct a principal residence in a qualified
21 hurricane disaster area, but which was not so
22 used on account of Hurricane Helene or Hurri-
23 cane Milton, and

24 (C) which was received during the period
25 beginning on the date which is 180 days before

1 the first day of the incident period and ending
2 on the date which is 30 days after the last day
3 of such incident period.

4 (3) APPLICABLE PERIOD.—For purposes of this
5 subsection, the term “applicable period” means, in
6 the case of a principal residence in a qualified hurri-
7 cane disaster area, the period beginning on the first
8 day of the incident period and ending on December
9 31, 2025.

10 (c) LOANS FROM QUALIFIED PLANS.—

11 (1) INCREASE IN LIMIT ON LOANS NOT TREAT-
12 ED AS DISTRIBUTIONS.—In the case of any loan
13 from a qualified employer plan (as defined under
14 section 72(p)(4) of such Code) to an eligible indi-
15 vidual made during the period beginning on the date
16 of the enactment of this Act and ending on June 30,
17 2025—

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

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

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

3 (2) DELAY OF REPAYMENT.—In the case of an
4 eligible individual with an outstanding loan (on or
5 after the first day of the incident period) from a
6 qualified employer plan (as defined in section
7 72(p)(4) of such Code)—

8 (A) if the due date pursuant to subpara-
9 graph (B) or (C) of section 72(p)(2) of such
10 Code for any repayment with respect to such
11 loan occurs during the period beginning on the
12 first day of the incident period and ending on
13 the date which is 180 days after the last day
14 of such incident period, such due date shall be
15 delayed for 1 year (or, if later, until December
16 31, 2025),

17 (B) any subsequent repayments with re-
18 spect to any such loan shall be appropriately
19 adjusted to reflect the delay in the due date
20 under subparagraph (A) and any interest accru-
21 ing during such delay, and

22 (C) in determining the 5-year period and
23 the term of a loan under subparagraph (B) or
24 (C) of section 72(p)(2) of such Code, the period

1 described in subparagraph (A) of this para-
2 graph shall be disregarded.

3 (d) PROVISIONS RELATING TO PLAN AMEND-
4 MENTS.—

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

10 (2) AMENDMENTS TO WHICH SUBSECTION AP-
11 PLIES.—

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

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

20 (ii) on or before the last day of the
21 first plan year beginning on or after Janu-
22 ary 1, 2025, or such later date as the Sec-
23 retary may prescribe.

24 In the case of a governmental plan (as defined
25 in section 414(d) of such Code), clause (ii) shall

1 be applied by substituting the date which is 2
2 years after the date otherwise applied under
3 clause (ii).

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

6 (i) during the period—

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

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

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

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

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