103D CONGRESS
2D SESSION

H. R. 3762

To amend the Internal Revenue Code of 1986 to permit the penalty-free withdrawal of amounts in retirement plans to pay for disaster-related expenses.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 1994

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

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A BILL

To amend the Internal Revenue Code of 1986 to permit the penalty-free withdrawal of amounts in retirement plans to pay for disaster-related expenses.

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. PENALTY-FREE WITHDRAWALS FOR DISASTER-**

4 **RELATED EXPENSES.**

5 (a) GENERAL RULE.—Paragraph (2) of section 72(t)

6 of the Internal Revenue Code of 1986 (relating to distribu-

7 tions to which penalty does not apply) is amended by add-

8 ing at the end the following new subparagraph:

1   ''(D) DISASTER-RELATED DISTRIBU-

2   TIONS.—Any distribution if such distribution is

3   used within 60 days of the date of the distribu-

4   tion to pay disaster-related costs.''

5   (b) DISASTER-RELATED COSTS DEFINED.—Sub-

6 section (t) of section 72 of such Code is amended by add-

7 ing at the end the following new paragraph:

8   ''(6) DISASTER-RELATED COSTS.—For purposes

9   of this subsection, the term 'disaster-related costs'

10   means—

11   ''(A) costs of repairing or replacing prop-

12   erty damaged in a federally declared disaster,

13   and

14   ''(B) any additional living expenses in-

15   curred on account of damage to the taxpayer's

16   residence caused by a federally declared disas-

17   ter.

18   For purposes of the preceding sentence, the term

19   'federally declared disaster' means any disaster oc-

20   curring in an area subsequently determined by the

21   President of the United States to warrant assistance

22   by the Federal Government under the Disaster Re-

23   lief and Emergency Assistance Act.''

1   (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to distributions after January 17,
3 1994.

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