

# TaxNewsFlash

## United States

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### **Legislative update: Hurricane tax-relief bill introduced by Ways and Means chairman**

U.S. House Ways and Means Committee Chairman Kevin Brady (R-TX) today introduced legislation that is intended to provide tax relief to taxpayers who were victims of Hurricanes Harvey, Irma, and Maria.

The provisions are part of a [bill](#) [PDF 148 KB] referred to as the *Disaster Tax Relief and Airport and Airway Extension Act of 2017* (H.R. 3823).

According to a Ways and Means release, the hurricane-related tax relief would:

- Allow deductions for personal casualty losses (instead requiring that the losses exceed the 10% of adjusted gross income threshold) for taxpayers who either itemize or do not itemize their deductions
- Provide penalty-free access to retirement funds, and thus provide an exception to the 10% early withdrawal assessment; allow re-contributions of retirement plan withdrawals for home purchases cancelled because of the disasters; and provide flexibility for loans from retirement plans for qualified hurricane relief
- Encourage charitable giving by suspending the limitations on the deduction for charitable contributions associated with qualified hurricane relief made before December 31, 2017
- Provide employment relief, with a tax credit for 40% of wages (up to \$6,000 per employee) paid by a disaster-affected employer to an employee from a core disaster area

The bill must pass both the House and Senate and be signed by the president for its provisions to become law.

- The Joint Committee on Taxation on September 25, 2017, released a revenue estimate of the tax provisions in the bill. Read [JCX-43-17](#)
- The JCT on September 26, 2017, released a revenue estimate of revenue provisions in Titles II and V of the bill. Read [JCX-44-17](#)

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