

S 4596

Disaster Tax Relief Act of 2020

Congress: 116 (2019–2021, Ended)

Chamber: Senate

Policy Area: Taxation

Introduced: Sep 16, 2020

Current Status: Read twice and referred to the Committee on Finance.

Latest Action: Read twice and referred to the Committee on Finance. (Sep 16, 2020)

Official Text: <https://www.congress.gov/bill/116th-congress/senate-bill/4596>

Sponsor

Name: Sen. Ernst, Joni [R-IA]

Party: Republican • **State:** IA • **Chamber:** Senate

Cosponsors (4 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Cassidy, Bill [R-LA]	R · LA		Sep 16, 2020
Sen. Feinstein, Dianne [D-CA]	D · CA		Sep 16, 2020
Sen. Grassley, Chuck [R-IA]	R · IA		Sep 16, 2020
Sen. Kennedy, John [R-LA]	R · LA		Sep 16, 2020

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Sep 16, 2020

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
116 HR 8440	Related bill	Sep 29, 2020: Referred to the Committee on Ways and Means, and in addition to the Committee on Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
116 S 4621	Related bill	Sep 17, 2020: Read twice and referred to the Committee on Finance.

Disaster Tax Relief Act of 2020

This bill sets forth tax relief provisions for individual and business taxpayers residing in a disaster zone during the period beginning on July 1, 2020, and ending 60 days after the enactment of this bill.

Specifically, the bill

- allows penalty-free disaster-relief withdrawals from tax-exempt retirement plans up to \$100,000,
- permits recontributions of such withdrawals for home purchases cancelled due to disasters,
- increases to \$100,000 the limit on loans for disaster assistance from retirement plans,
- allows employers affected by a disaster a 40% tax credit for the purpose of retaining employees,
- increases the tax deduction for corporate disaster relief contributions,
- enhances the tax deduction for disaster-related personal casualty losses,
- permits the calculation of the earned income tax credit based upon income earned prior to 2020, and
- reimburses U.S. possessions for losses sustained due to the application of the provisions of this bill.

Actions Timeline

- **Sep 16, 2020:** Introduced in Senate
- **Sep 16, 2020:** Read twice and referred to the Committee on Finance.