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Senate Finance disaster tax relief taskforce report

The U.S. Senate Finance Committee has released the final report from the bipartisan taskforces addressing temporary tax policy. This last report relates to disaster tax relief.

Read the [taskforce report](#) [PDF 16.15 MB] (98 pages) on disaster tax relief

The disaster relief taskforce examined a set of temporary, disaster tax relief policies, including Code provisions relating to the following “core set” of disaster relief provisions:

- Special disaster-related rules for use of retirement funds (sections 72(t), 165, 401-403, 408, 457, and 3405)
- Employee retention credit for employers affected by qualified disasters (section 38)
- Temporary increase in limitation on qualified charitable contributions (section 170)
- Special rules for disaster-related personal casualty losses (section 165)
- Special rule for determining earned income for the child tax credit and the earned income tax credit (EITC) (sections 24(d) and 32)

In addition, the taskforce reviewed disaster tax relief provisions enacted between 2002 and 2008.

The report provides an overview of the taskforce’s work, summarizes comments received from Senators and stakeholders, and lists Senate bills brought to the taskforce’s attention, but does not appear to include particular recommendations from the taskforce.

Background

Senate Finance Committee Chairman Grassley and ranking member Wyden in May 2019 announced the formation of several bipartisan taskforces to examine temporary tax provisions that expired, or will expire, between December 31, 2017, and December 31, 2019—a total of 42 provisions.

The taskforces were charged to examine tax policies in five areas:

- Energy (*report issued August 13, 2019*)
- Business cost recovery (*report issued August 13, 2019*)
- Individual, excise and other temporary policies (*report issued August 13, 2019*)

- Workforce and community development (*report issued August 27, 2019*)
- Health (*report issued September 16, 2019*)

Read [TaxNewsFlash](#) and [TaxNewsFlash](#) and [TaxNewsFlash](#) describing the reports previously released by the other taskforces.

A separate taskforce was assigned to examine whether there is a core package of tax relief provisions that should be available when there are natural disasters.

In February 2019, Senators Grassley and Wyden introduced bipartisan legislation to restore the tax provisions that expired at the end of 2017 and 2018 through the balance of this year and to provide disaster tax relief benefits to individuals and businesses affected by major disasters occurring in 2018.

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