



October 20, 2021

The Honorable Bill Cassidy, M.D.
United States Senate
520 Hart Senate Office Building
Washington, DC 20510

The Honorable Bob Menendez
United States Senate
528 Hart Senate Office Building
Washington, DC 20510

Re: S. 2583, the Disaster Retirement Savings Act

Dear Senator Cassidy and Senator Menendez:

The American Institute of CPAs (AICPA) applauds the *Disaster Retirement Savings Act* ([S. 2583](#)) and commends you on your efforts to permanently remove financial penalties for individuals impacted by natural disasters who choose to use retirement funds to cover unexpected expenses associated with those disasters.

Natural disasters such as hurricanes, floods, tornados, wildfires, and heat waves regularly affect the Nation at all times of the year, but the current system does not provide fair and reliable tax relief for disaster victims. For many years, the AICPA has urged Congress to enact permanent tax legislation that would take effect immediately when a declaration of a federal disaster occurs, rather than providing delayed tax relief through separate individual bills following each disaster. The AICPA developed [10 recommendations](#) to improve the patchwork situation that currently exists and also alleviate tax compliance burdens during those difficult time. Our proposals could help homeowners and business owners alike with the expensive and often long process of recovery.

S. 2583 mirrors our long-standing proposal to impose no tax on qualified disaster victims who withdraw up to \$100,000 from a qualified plan or individual retirement account (IRA). While we recommend that individuals are allowed up to five years to repay any amounts, we recognize that the bill's three-year repayment period is the typical time allowed in prior disaster relief legislation. By allowing affected taxpayers to access their own funds immediately and without penalty, the bill would remove an unnecessary burden from natural disaster victims while they await government assistance and insurance reimbursements that may not be immediately forthcoming.

The AICPA supports and appreciates the meaningful relief that S. 2583 will provide to American taxpayers. If you have any questions, please feel free to contact Amy Miller, Senior Manager – AICPA Tax Policy & Advocacy, at Amy.Miller@aicpa-cima.com; Lauren Pflugstag, Director – AICPA Congressional and Political Affairs, at Lauren.Pflugstag@aicpa-cima.com; or me at JanLewis@HaddoxReid.com.

The American Institute of CPAs (AICPA) is the world's largest member association representing the CPA profession, with more than 428,000 members in the United States and worldwide, and a history of serving the public interest since 1887. Our members advise clients on federal, state, and international tax matters and prepare income and other tax returns for millions of Americans. Our members provide services to individuals, not-for-profit organizations, small and medium-sized businesses, as well as America's largest businesses.

Sincerely,

A handwritten signature in black ink, appearing to read "Jan F. Lewis".

Jan F. Lewis, CPA
Chair, AICPA Tax Executive Committee

1455 Pennsylvania Ave. NW, Washington, DC 20004-1081
T: +1 202.737.6600 F: +1 202.638.4512
aicpaglobal.com | cimaglobal.com | aicpa.org | cgma.org