



(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to provide a special rule
for certain casualty losses of uncut timber.

IN THE HOUSE OF REPRESENTATIVES

Mr. CARTER of Georgia introduced the following bill; which was referred to
the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to provide
a special rule for certain casualty losses of uncut timber.

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. SHORT TITLE.**

4 This Act may be cited as the “Disaster Reforestation
5 Act”.

6 **SEC. 2. CASUALTY LOSSES OF UNCUT TIMBER.**

7 (a) IN GENERAL.—Section 165(b) of the Internal
8 Revenue Code of 1986 is amended—

1 (1) by striking “For purposes of subsection
2 (a)” and inserting the following:

3 “(1) IN GENERAL.—For purposes of subsection
4 (a)”, and

5 (2) by adding at the end the following new
6 paragraph:

7 “(2) SPECIAL RULE FOR CASUALTY LOSS OF
8 UNCUT TIMBER.—

9 “(A) IN GENERAL.—In the case of the loss
10 of any uncut timber from fire, storm, insects,
11 invasive species, drought, or other casualty, or
12 from theft, the basis for determining the
13 amount of the deduction for such loss (as other-
14 wise determined under paragraph (1)) shall not
15 be less than the excess of—

16 “(i) the value of such uncut timber
17 determined immediately before such loss
18 was sustained, over

19 “(ii) the salvage value of such timber.

20 “(B) APPRAISAL METHODS.—With respect
21 to the appraisal of a timber casualty loss de-
22 scribed in subparagraph (A)—

23 “(i) the appraisal valuation date shall
24 be not later than 1 year after the casualty
25 loss; and

1 “(ii) the appraisal shall—

2 “(I) conform to the Uniform
3 Standards of Professional Appraisal
4 Practice (USPAP);

5 “(II) be limited to the value of
6 the lost timber; and

7 “(III) be completed by a Federal-
8 or State-certified appraiser.

9 “(C) EXCLUSION OF TIMBER NOT HELD
10 FOR SALE.—Subparagraph (A) shall not apply
11 to any timber unless such timber is held for the
12 purpose of being cut and sold in connection
13 with a trade or business that is not a passive
14 activity within the meaning of section 469.

15 “(D) INCLUSION OF PRE-MERCHANTABLE
16 TIMBER.—For purposes of this paragraph, the
17 term ‘uncut timber’ shall not fail to include pre-
18 merchantable timber.

19 “(E) REFORESTATION REQUIREMENT.—
20 Subparagraph (A) shall not apply unless the
21 uncut timber subject to the loss is reforested
22 (with hardwoods, softwoods, or any combination
23 thereof) by planting, seeding, or appropriate
24 site preparation, not later than the close of the

1 5-year period beginning on the date of such
2 loss.”.

3 (b) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to taxable years beginning after
5 the date of the enactment of this Act.