

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 3811

To amend the Internal Revenue Code of 1986 to allow the casualty loss deduction for disaster losses without regard to the 10-percent adjusted gross income floor.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 8, 1994

Mr. BERMAN (for himself, Mr. McKEON, Mr. BEILENSON, Mr. GALLEGLY, Mr. WAXMAN, Mr. MOORHEAD, Mr. MATSUI, and Mr. DIXON) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow the casualty loss deduction for disaster losses without regard to the 10-percent adjusted gross income floor.

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. ELIMINATION OF 10-PERCENT FLOOR FOR DIS-**  
4 **ASTER LOSSES.**

5 (a) GENERAL RULE.—Subparagraph (A) of section  
6 165(h)(2) of the Internal Revenue Code of 1986 (relating  
7 to net casualty loss allowed only to the extent it exceeds

1 10 percent of adjusted gross income) is amended by strik-  
2 ing clauses (i) and (ii) and inserting the following:

3 “(i) the amount of the personal  
4 casualty gains for the taxable year,

5 “(ii) the amount of the federally  
6 declared disaster losses for the taxable  
7 year (or, if lesser, the net casualty  
8 loss), plus

9 “(iii) the portion of the net cas-  
10 ualty loss which is not deductible  
11 under clause (ii) but only to the ex-  
12 tent such portion exceeds 10 percent  
13 of the adjusted gross income of the in-  
14 dividual.

15 For purposes of the preceding sentence the  
16 term ‘net casualty loss’ means the excess of  
17 personal casualty losses for the taxable year  
18 over personal casualty gains.”

19 (b) FEDERALLY DECLARED DISASTER LOSS DE-  
20 FINED.—Paragraph (3) of section 165(h) of such Code is  
21 amended by adding at the end the following new subpara-  
22 graph:

23 “(C) FEDERALLY DECLARED DISASTER  
24 LOSS.—The term ‘federally declared disaster  
25 loss’ means any personal casualty loss attrib-

1           utable to a disaster occurring in an area subse-  
2           quently determined by the President of the  
3           United States to warrant assistance by the Fed-  
4           eral Government under the Disaster Relief and  
5           Emergency Assistance Act.”

6           (c) CLERICAL AMENDMENT.—The heading for para-  
7           graph (2) of section 165(h) of such Code is amended by  
8           striking “NET CASUALTY LOSS” and inserting “NET  
9           NONDISASTER CASUALTY LOSS”.

10          (d) EFFECTIVE DATE.—The amendments made by  
11          this section shall apply to losses attributable to disasters  
12          occurring on or after January 17, 1994, including for pur-  
13          poses of determining the portion of such losses allowable  
14          in taxable years ending before such date pursuant to an  
15          election under section 165(i) of the Internal Revenue Code  
16          of 1986.

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