

115TH CONGRESS  
2D SESSION

# H. R. 4962

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

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 7, 2018

Mr. CARTER of Georgia (for himself, Mr. WESTERMAN, Mr. ABRAHAM, Mr. AUSTIN SCOTT of Georgia, Mr. GOODLATTE, Mr. PALAZZO, and Mr. BISHOP of Georgia) 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 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 “Forest Recovery Act”.

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

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

8 (1) by striking “For purposes of subsection

9 (a)” and inserting the following:

1           “(1) IN GENERAL.—For purposes of subsection  
2           (a)”;

3           (2) by adding at the end the following new  
4           paragraph:

5           “(2) SPECIAL RULE FOR CASUALTY LOSS OF  
6           UNCUT TIMBER.—

7           “(A) IN GENERAL.—In the case of the loss  
8           of any uncut timber from fire, storm, or other  
9           casualty, or from theft, the basis for deter-  
10          mining the amount of the deduction for such  
11          loss (as otherwise determined under paragraph  
12          (1)) shall not be less than the excess of—

13                   “(i) the fair market value of such  
14                   uncut timber determined immediately be-  
15                   fore such loss was sustained, over

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

17          “(B) EXCLUSION OF TIMBER NOT HELD  
18          FOR SALE.—Subparagraph (A) shall not apply  
19          to any timber unless such timber is held for the  
20          purpose of being cut and sold.

21          “(C) INCLUSION OF PRE-MERCHANTABLE  
22          TIMBER.—For purposes of this paragraph, the  
23          term ‘uncut timber’ shall not fail to include pre-  
24          merchantable timber.

1           “(D) REFORESTATION REQUIREMENT.—  
2           Subparagraph (A) shall not apply unless the  
3           uncut timber subject to the loss is reforested  
4           (with hardwoods, softwoods, or any combination  
5           thereof) by planting, seeding, or appropriate  
6           site preparation, not later than the close of the  
7           5-year period beginning on the date of such  
8           loss.”.

9           (b) EXCEPTION TO REPEAL OF PERSONAL CAS-  
10          UALTY LOSSES.—Section 165(h)(5)(A) is amended by in-  
11          serting “or a loss of uncut timber (within the meaning  
12          of subsection (b)(2)) to which subsection (b)(2)(A) ap-  
13          plies” after “Federally declared disaster (as defined in  
14          subsection (i)(5))”.

15          (c) EFFECTIVE DATE.—The amendments made by  
16          this section shall apply to taxable years beginning after  
17          the date of the enactment of this Act.

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