

116TH CONGRESS
1ST SESSION

H. R. 1444

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

FEBRUARY 28, 2019

Mr. CARTER of Georgia (for himself, Mr. AUSTIN SCOTT of Georgia, Ms. PINGREE, Mr. HICE of Georgia, Mr. MARSHALL, Mr. CARTWRIGHT, Mr. WESTERMAN, Mr. BABIN, Mr. TIPTON, Mr. DUNN, Mr. KELLY of Mississippi, and Mr. GUEST) introduced the following bill; which was referred to the Committee on Ways and Means

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)”, and

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 CASUALTY
10 LOSSES.—Section 165(h)(5)(A) is amended by inserting
11 “or a loss of uncut timber (within the meaning of sub-
12 section (b)(2)) to which subsection (b)(2)(A) applies”
13 after “Federally declared disaster (as defined in sub-
14 section (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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