

116TH CONGRESS  
1ST SESSION

# S. 1687

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 SENATE OF THE UNITED STATES

MAY 23 (legislative day, MAY 22), 2019

Mrs. HYDE-SMITH (for herself, Mr. WICKER, Mr. RUBIO, and Mr. COTTON) introduced the following bill; which was read twice and referred to the Committee on Finance

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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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