

**AMENDMENT TO RULES COMMITTEE PRINT 116-  
12  
OFFERED BY MR. CARTER OF GEORGIA**

At the end of the bill (before the short title), insert  
the following:

**1 SEC. 1108. CASUALTY LOSSES OF UNCUT TIMBER.**

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

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

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

8 (2) by adding at the end the following new  
9 paragraph:

10 “(2) SPECIAL RULE FOR CASUALTY LOSS OF  
11 UNCUT TIMBER.—

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

1                   “(i) the fair market value of such  
2                   uncut timber determined immediately be-  
3                   fore such loss was sustained, over

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

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

9                   “(C) INCLUSION OF PRE-MERCHANTABLE  
10                  TIMBER.—For purposes of this paragraph, the  
11                  term ‘uncut timber’ shall not fail to include pre-  
12                  merchantable timber.

13                  “(D) REFORESTATION REQUIREMENT.—  
14                  Subparagraph (A) shall not apply unless the  
15                  uncut timber subject to the loss is reforested  
16                  (with hardwoods, softwoods, or any combination  
17                  thereof) by planting, seeding, or appropriate  
18                  site preparation, not later than the close of the  
19                  5-year period beginning on the date of such  
20                  loss.”.

21                  (b) EXCEPTION TO REPEAL OF PERSONAL CASUALTY  
22                  LOSSES.—Section 165(h)(5)(A) of such Code is amended  
23                  by inserting “or a loss of uncut timber (within the mean-  
24                  ing of subsection (b)(2)) to which subsection (b)(2)(A) ap-

1 plies” after “Federally declared disaster (as defined in  
2 subsection (i)(5))”.

3 (c) 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.

