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:

SEC. 1108. CASUALTY LOSSES OF UNCUT TIMBER.

(a) In General.—Section 165(b) of the Internal Revenue Code of 1986 is amended—

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

“(1) In General.—For purposes of subsection (a), and

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

“(2) Special Rule for Casualty Loss of Uncut Timber.—

“(A) In General.—In the case of the loss of any uncut timber from fire, storm, or other casualty, or from theft, the basis for determining the amount of the deduction for such loss (as otherwise determined under paragraph (1)) shall not be less than the excess of—
“(i) the fair market value of such uncut timber determined immediately before such loss was sustained, over

“(ii) the salvage value of such timber.

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

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

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

(b) EXCEPTION TO REPEAL OF PERSONAL CASUALTY LOSSES.—Section 165(h)(5)(A) of such Code is amended by inserting “or a loss of uncut timber (within the meaning of subsection (b)(2)) to which subsection (b)(2)(A) ap-
plies” after “Federally declared disaster (as defined in subsection (i)(5))”.

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