

**AMENDMENT TO THE 21ST CENTURY PEACE
THROUGH STRENGTH ACT
OFFERED BY MR. LAMALFA OF CALIFORNIA**

At the end of the bill, insert the following:

1 **DIVISION Q—ASSISTANCE FOR**
2 **DISASTER-IMPACTED COMMU-**
3 **NITIES**

4 **SEC. 1. EXTENSION OF RULES FOR TREATMENT OF CER-**
5 **TAIN DISASTER-RELATED PERSONAL CAS-**
6 **UALTY LOSSES.**

7 For purposes of applying section 304(b) of the Tax-
8 payer Certainty and Disaster Tax Relief Act of 2020, sec-
9 tion 301 of such Act shall be applied by substituting “the
10 Federal Disaster Tax Relief Act of 2024” for “this Act”
11 each place it appears.

12 **SEC. 2. EXCLUSION FROM GROSS INCOME FOR COMPENSA-**
13 **TION FOR LOSSES OR DAMAGES RESULTING**
14 **FROM CERTAIN WILDFIRES.**

15 (a) IN GENERAL.—For purposes of the Internal Rev-
16 enue Code of 1986, gross income shall not include any
17 amount received by an individual as a qualified wildfire
18 relief payment.

1 (b) QUALIFIED WILDFIRE RELIEF PAYMENT.—For
2 purposes of this section—

3 (1) IN GENERAL.—The term “qualified wildfire
4 relief payment” means any amount received by or on
5 behalf of an individual as compensation for losses,
6 expenses, or damages (including compensation for
7 additional living expenses, lost wages (other than
8 compensation for lost wages paid by the employer
9 which would have otherwise paid such wages), per-
10 sonal injury, death, or emotional distress) incurred
11 as a result of a qualified wildfire disaster, but only
12 to the extent the losses, expenses, or damages com-
13 pensated by such payment are not compensated for
14 by insurance or otherwise.

15 (2) QUALIFIED WILDFIRE DISASTER.—The
16 term “qualified wildfire disaster” means any feder-
17 ally declared disaster (as defined in section
18 165(i)(5)(A) of the Internal Revenue Code of 1986)
19 declared, after December 31, 2014, as a result of
20 any forest or range fire.

21 (c) DENIAL OF DOUBLE BENEFIT.—Notwith-
22 standing any other provision of the Internal Revenue Code
23 of 1986—

24 (1) no deduction or credit shall be allowed (to
25 the person for whose benefit a qualified wildfire re-

1 lief payment is made) for, or by reason of, any ex-
2 penditure to the extent of the amount excluded
3 under this section with respect to such expenditure,
4 and

5 (2) no increase in the basis or adjusted basis of
6 any property shall result from any amount excluded
7 under this subsection with respect to such property.

8 (d) **LIMITATION ON APPLICATION.**—This section
9 shall only apply to qualified wildfire relief payments re-
10 received by the individual during taxable years beginning
11 after December 31, 2019, and before January 1, 2026.

12 **SEC. 3. EAST PALESTINE DISASTER RELIEF PAYMENTS.**

13 (a) **DISASTER RELIEF PAYMENTS TO VICTIMS OF**
14 **EAST PALESTINE TRAIN DERAILMENT.**—East Palestine
15 train derailment payments shall be treated as qualified
16 disaster relief payments for purposes of section 139(b) of
17 the Internal Revenue Code of 1986.

18 (b) **EAST PALESTINE TRAIN DERAILMENT PAY-**
19 **MENTS.**—For purposes of this section, the term “East
20 Palestine train derailment payment” means any amount
21 received by or on behalf of an individual as compensation
22 for loss, damages, expenses, loss in real property value,
23 closing costs with respect to real property (including real-
24 tor commissions), or inconvenience (including access to

1 real property) resulting from the East Palestine train de-
2 railment if such amount was provided by—

3 (1) a Federal, State, or local government agen-
4 cy,

5 (2) Norfolk Southern Railway, or

6 (3) any subsidiary, insurer, or agent of Norfolk
7 Southern Railway or any related person.

8 (c) TRAIN DERAILMENT.—For purposes of this sec-
9 tion, the term “East Palestine train derailment” means
10 the derailment of a train in East Palestine, Ohio, on Feb-
11 ruary 3, 2023.

12 (d) EFFECTIVE DATE.—This section shall apply to
13 amounts received on or after February 3, 2023.

