

117TH CONGRESS
1ST SESSION

H. R. 4210

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

JUNE 28, 2021

Ms. SEWELL (for herself and Mr. CARTER of Georgia) 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 “Disaster Reforestation
5 Act”.

6 **SEC. 2. CASUALTY LOSSES OF UNCUT TIMBER.**

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

9 (1) by striking “For purposes of subsection

10 (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, insects,
9 invasive species, drought, or other casualty, or
10 from theft, the basis for determining the
11 amount of the deduction for such loss (as other-
12 wise determined under paragraph (1)) shall not
13 be less than the excess of—

14 “(i) the value of such uncut timber
15 determined immediately before such loss
16 was sustained, over

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

18 “(B) APPRAISAL METHODS.—With respect
19 to the appraisal of a timber casualty loss de-
20 scribed in subparagraph (A)—

21 “(i) the appraisal valuation date shall
22 be not later than 1 year after the casualty
23 loss; and

24 “(ii) the appraisal shall—

1 “(I) conform to the Uniform
2 Standards of Professional Appraisal
3 Practice (USPAP);

4 “(II) be limited to the value of
5 the lost timber; and

6 “(III) be completed by a Federal-
7 or State-certified appraiser.

8 “(C) EXCLUSION OF TIMBER NOT HELD
9 FOR SALE.—Subparagraph (A) shall not apply
10 to any timber unless such timber is held for the
11 purpose of being cut and sold in connection
12 with a trade or business that is not a passive
13 activity within the meaning of section 469.

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

18 “(E) REFORESTATION REQUIREMENT.—
19 Subparagraph (A) shall not apply unless the
20 uncut timber subject to the loss is reforested
21 (with hardwoods, softwoods, or any combination
22 thereof) by planting, seeding, or appropriate
23 site preparation, not later than the close of the
24 5-year period beginning on the date of such
25 loss.”.

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

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