

118TH CONGRESS  
2D SESSION

# H. R. 5863

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IN THE SENATE OF THE UNITED STATES

MAY 22, 2024

Received; read twice and referred to the Committee on Finance

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## AN ACT

To provide tax relief with respect to certain Federal  
disasters.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Federal Disaster Tax  
3 Relief Act of 2023”.

4 **SEC. 2. 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 2023” for “this Act”  
11 each place it appears.

12 **SEC. 3. 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.

19 (b) **QUALIFIED WILDFIRE RELIEF PAYMENT.**—For  
20 purposes of this section—

21 (1) **IN GENERAL.**—The term “qualified wildfire  
22 relief payment” means any amount received by or on  
23 behalf of an individual as compensation for losses,  
24 expenses, or damages (including compensation for  
25 additional living expenses, lost wages (other than  
26 compensation for lost wages paid by the employer

1 which would have otherwise paid such wages), per-  
2 sonal injury, death, or emotional distress) incurred  
3 as a result of a qualified wildfire disaster, but only  
4 to the extent the losses, expenses, or damages com-  
5 pensated by such payment are not compensated for  
6 by insurance or otherwise.

7 (2) QUALIFIED WILDFIRE DISASTER.—The  
8 term “qualified wildfire disaster” means any feder-  
9 ally declared disaster (as defined in section  
10 165(i)(5)(A) of the Internal Revenue Code of 1986)  
11 declared, after December 31, 2014, as a result of  
12 any forest or range fire.

13 (c) DENIAL OF DOUBLE BENEFIT.—Notwith-  
14 standing any other provision of the Internal Revenue Code  
15 of 1986—

16 (1) no deduction or credit shall be allowed (to  
17 the person for whose benefit a qualified wildfire re-  
18 lief payment is made) for, or by reason of, any ex-  
19 penditure to the extent of the amount excluded  
20 under this section with respect to such expenditure,  
21 and

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

1 (d) LIMITATION ON APPLICATION.—This section  
2 shall only apply to qualified wildfire relief payments re-  
3 ceived by the individual during taxable years beginning  
4 after December 31, 2019, and before January 1, 2026.

5 (e) EXTENSION OF PERIOD OF LIMITATION.—In the  
6 case of a claim for credit or refund which is properly allo-  
7 cable to the exclusion which is described in subsection  
8 (a)—

9 (1) the period of limitation prescribed in section  
10 6511(a) of the Internal Revenue Code of 1986 for  
11 the filing of such claim shall be treated as not expir-  
12 ing earlier than the date that is 1 year after the  
13 date of the enactment of this Act, and

14 (2) any limitation described in section  
15 6511(b)(2) of such Code shall not apply.

16 **SEC. 4. EAST PALESTINE DISASTER RELIEF PAYMENTS.**

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

22 (b) EAST PALESTINE TRAIN DERAILMENT PAY-  
23 MENTS.—For purposes of this section, the term “East  
24 Palestine train derailment payment” means any amount  
25 received by or on behalf of an individual as compensation

1 for loss, damages, expenses, loss in real property value,  
2 closing costs with respect to real property (including real-  
3 tor commissions), or inconvenience (including access to  
4 real property) resulting from the East Palestine train de-  
5 railment if such amount was provided by—

6 (1) a Federal, State, or local government agen-  
7 cy,

8 (2) Norfolk Southern Railway, or

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

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

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

Passed the House of Representatives May 21, 2024.

Attest: KEVIN F. MCCUMBER,  
*Clerk.*