

119TH CONGRESS
2D SESSION

S. 4502

To amend the Internal Revenue Code of 1986 to exclude crop insurance indemnity payments from gross income.

IN THE SENATE OF THE UNITED STATES

MAY 12, 2026

Mr. OSSOFF introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to exclude crop insurance indemnity payments from gross income.

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 “Farm Disaster Tax
5 Cut Act”.

6 **SEC. 2. CROP INSURANCE INDEMNITY PAYMENTS EX-**
7 **CLUDED FROM GROSS INCOME.**

8 (a) IN GENERAL.—Part III of subchapter B of chap-
9 ter 1 of the Internal Revenue Code of 1986 is amended
10 by inserting after section 139L the following new section:

1 **“SEC. 139M. CROP INSURANCE INDEMNITY PAYMENTS.**

2 “(a) IN GENERAL.—Gross income shall not include
3 any crop insurance indemnity payment made pursuant to
4 the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

5 “(b) TERMINATION.—This section shall not apply to
6 any payment for losses which occur after December 31,
7 2028.”.

8 (b) CLERICAL AMENDMENT.—The table of sections
9 for part III of subchapter B of chapter 1 of the Internal
10 Revenue Code of 1986 is amended by inserting after the
11 item relating to section 139L the following new item:

“Sec. 139M. Crop insurance indemnity payments.”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to payments for losses which occur
14 after August 5, 2024.

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