

107TH CONGRESS  
1ST SESSION

# H. R. 1095

To clarify the tax treatment of payments made under the Cerro Grande  
Fire Assistance Act.

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IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2001

Mr. UDALL of New Mexico introduced the following bill; which was referred  
to the Committee on Ways and Means

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## A BILL

To clarify the tax treatment of payments made under the  
Cerro Grande Fire Assistance Act.

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. EXCLUSION FROM GROSS INCOME FOR PAY-**  
4                       **MENTS UNDER CERRO GRANDE FIRE ASSIST-**  
5                       **ANCE ACT.**

6       (a) IN GENERAL.—Section 104(d) of the Cerro  
7       Grande Fire Assistance Act (Public Law 106–246; 114  
8       Stat. 585) is amended by adding at the end the following  
9       new paragraph:

1           “(5) PAYMENTS EXCLUDED FROM GROSS IN-  
2       COME.—

3           “(A) IN GENERAL.—For purposes of the  
4       Internal Revenue Code of 1986, gross income  
5       shall not include any amount of any payment  
6       under this title not otherwise excludable from  
7       gross income under such Code.

8           “(B) DENIAL OF DOUBLE BENEFIT.—Sub-  
9       paragraph (A) shall not apply to any amount if  
10      under such Code—

11           “(i) a deduction or credit is allowed  
12      with respect to such amount, or

13           “(ii) an increase in the adjusted basis  
14      of any property results from such  
15      amount.”.

16      (b) EFFECTIVE DATE.—The amendment made by  
17      this section shall take effect as if included in the enact-  
18      ment of the Cerro Grande Fire Assistance Act.

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