

Public Law 118–148  
118th Congress

An Act

To provide tax relief with respect to certain Federal disasters.

Dec. 12, 2024

[H.R. 5863]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

Federal Disaster  
Tax Relief Act of  
2023.

**SECTION 1. SHORT TITLE.**

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

**SEC. 2. EXTENSION OF RULES FOR TREATMENT OF CERTAIN DISASTER-RELATED PERSONAL CASUALTY LOSSES.**

Applicability.

For purposes of applying section 304(b) of the Taxpayer Certainty and Disaster Tax Relief Act of 2020, section 301 of such Act shall be applied by substituting “the Federal Disaster Tax Relief Act of 2023” for “this Act” each place it appears.

**SEC. 3. EXCLUSION FROM GROSS INCOME FOR COMPENSATION FOR LOSSES OR DAMAGES RESULTING FROM CERTAIN WILDFIRES.**

(a) **IN GENERAL.**—For purposes of the Internal Revenue Code of 1986, gross income shall not include any amount received by an individual as a qualified wildfire relief payment.

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

Definitions.

(1) **IN GENERAL.**—The term “qualified wildfire relief payment” means any amount received by or on behalf of an individual as compensation for losses, expenses, or damages (including compensation for additional living expenses, lost wages (other than compensation for lost wages paid by the employer which would have otherwise paid such wages), personal injury, death, or emotional distress) incurred as a result of a qualified wildfire disaster, but only to the extent the losses, expenses, or damages compensated by such payment are not compensated for by insurance or otherwise.

(2) **QUALIFIED WILDFIRE DISASTER.**—The term “qualified wildfire disaster” means any federally declared disaster (as defined in section 165(i)(5)(A) of the Internal Revenue Code of 1986) declared, after December 31, 2014, as a result of any forest or range fire.

(c) **DENIAL OF DOUBLE BENEFIT.**—Notwithstanding any other provision of the Internal Revenue Code of 1986—

(1) no deduction or credit shall be allowed (to the person for whose benefit a qualified wildfire relief payment is made) for, or by reason of, any expenditure to the extent of the

amount excluded under this section with respect to such expenditure, and

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

Time period.

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

(e) **EXTENSION OF PERIOD OF LIMITATION.**—In the case of a claim for credit or refund which is properly allocable to the exclusion which is described in subsection (a)—

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

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

Definitions.

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

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

(b) **EAST PALESTINE TRAIN DERAILMENT PAYMENTS.**—For purposes of this section, the term “East Palestine train derailment payment” means any amount received by or on behalf of an individual as compensation for loss, damages, expenses, loss in real property value, closing costs with respect to real property (including realtor commissions), or inconvenience (including access to real property) resulting from the East Palestine train derailment if such amount was provided by—

(1) a Federal, State, or local government agency,

(2) Norfolk Southern Railway, or

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

(c) **TRAIN DERAILMENT.**—For purposes of this section, the term “East Palestine train derailment” means the derailment of a train in East Palestine, Ohio, on February 3, 2023.

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

Approved December 12, 2024.

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**LEGISLATIVE HISTORY—H.R. 5863:**

HOUSE REPORTS: No. 118-348 (Comm. on Ways and Means).

CONGRESSIONAL RECORD, Vol. 170 (2024):

May 21, considered and passed House.

Dec. 4, considered and passed Senate.

