

113TH CONGRESS
1ST SESSION

S. 1506

To provide tax relief for persons affected by the discharge of oil in connection with the explosion on, and sinking of, the mobile offshore drilling unit Deepwater Horizon.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 2013

Mr. WICKER (for himself and Ms. LANDRIEU) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To provide tax relief for persons affected by the discharge of oil in connection with the explosion on, and sinking of, the mobile offshore drilling unit Deepwater Horizon.

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 “Gulf Coast Oil Recov-
5 ery Zone Tax Relief and Economic Recovery Act”.

6 **SEC. 2. RECOVERY ZONE; GULF OIL SPILL.**

7 For purposes of this Act—

1 (1) RECOVERY ZONE.—The term “Recovery
2 Zone” means the following counties and parishes af-
3 fected by the Gulf oil spill:

4 (A) The counties of Escambia, Santa
5 Rosa, Okaloosa, Walton, Bay, Gulf, Franklin,
6 and Wakulla in the State of Florida.

7 (B) The counties of Hancock, Harrison,
8 and Jackson in the State of Mississippi.

9 (C) The counties of Mobile and Baldwin in
10 the State of Alabama.

11 (D) The parishes of Orleans, St. Tam-
12 many, St. Bernard, Plaquemines, Jefferson,
13 Lafourche, Terrebonne, St. Mary, Iberia,
14 Vermilion, and Cameron in the State of Lou-
15 isiana.

16 (2) GULF OIL SPILL.—The term “Gulf oil spill”
17 means the discharge of oil by reason of the explosion
18 on, and sinking of, the mobile offshore drilling unit
19 Deepwater Horizon.

20 **SEC. 3. NON-RECOGNITION OF INCOME FROM INSURANCE**
21 **PROCEEDS WHICH ARE REINVESTED IN THE**
22 **RECOVERY ZONE.**

23 (a) IN GENERAL.—For purposes of the Internal Rev-
24 enue Code of 1986, amounts received from any qualified
25 Gulf oil spill payment shall be recognized only to the ex-

1 tent that the amount realized exceeds the qualified invest-
2 ments made by the taxpayer with respect to such qualified
3 Gulf oil spill payment.

4 (b) QUALIFIED GULF OIL SPILL PAYMENT.—For
5 purposes of this section, the term “qualified Gulf oil spill
6 payment” means—

7 (1) any proceeds or payments from insurance
8 received in connection with the Gulf oil spill, or

9 (2) any payment for damages attributable to
10 the Gulf oil spill under section 1002 of the Oil Pollu-
11 tion Act of 1990 (33 U.S.C. 2702).

12 (c) QUALIFIED INVESTMENT.—For purposes of this
13 section—

14 (1) IN GENERAL.—The term “qualified invest-
15 ment” means, with respect to any qualified Gulf oil
16 spill payment, the sum of the qualified recovery zone
17 investments which are made by the taxpayer before
18 the date which is 5 years after the later of—

19 (A) the date of the qualified Gulf oil spill
20 payment, or

21 (B) the date of the enactment of this Act.

22 (2) QUALIFIED RECOVERY ZONE INVEST-
23 MENT.—The term “qualified recovery zone invest-
24 ment” means the sum of—

1 (A) amounts paid or incurred for tangible
2 property (to which section 168 of the Internal
3 Revenue Code of 1986 applies) acquired by pur-
4 chase (within the meaning of section 179(d)(2)
5 of such Code) for use in the active conduct of
6 a recovery zone trade or business property, plus

7 (B) amounts paid or incurred for start-up
8 expenditures (as defined in section 195(e)) in
9 connection with a qualified recovery zone trade
10 or business.

11 (3) QUALIFIED RECOVERY ZONE TRADE OR
12 BUSINESS.—The term “qualified recovery zone trade
13 or business” means—

14 (A) any commercial or charter fishing busi-
15 ness operating in the recovery zone, or

16 (B) any hotel, lodging, recreation, enter-
17 tainment, or restaurant business located in the
18 recovery zone.

19 (d) REDUCTION IN BASIS.—For purposes of section
20 1016 of the Internal Revenue Code of 1986, the basis in
21 any qualified investment shall be reduced (but not below
22 zero) by an amount equal to the amount that bears the
23 same ratio to such basis (determined without regard to
24 this subsection) as the amount of qualified Gulf oil spill
25 payments received by the taxpayer bears to the amount

1 of qualified investments made by the taxpayer with respect
2 to such qualified Gulf oil spill payments.

3 (e) EFFECTIVE DATE.—This Act shall apply with re-
4 spect to amounts received from any qualified Gulf oil spill
5 payment and qualified investments made in taxable years
6 ending after April 20, 2010.

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