

118TH CONGRESS
1ST SESSION

S. 764

To amend the Internal Revenue Code of 1986 to provide special rules for casualty losses incurred by reason of Hurricane Ian, Hurricane Nicole, and Hurricane Fiona.

IN THE SENATE OF THE UNITED STATES

MARCH 9, 2023

Mr. SCOTT of Florida (for himself and Mr. RUBIO) 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 provide special rules for casualty losses incurred by reason of Hurricane Ian, Hurricane Nicole, and Hurricane Fiona.

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 “Hurricane Tax Relief
5 Act”.

6 **SEC. 2. TAX RELIEF RELATED TO HURRICANE IAN, HURRI-**
7 **CANE NICOLE, AND HURRICANE FIONA.**

8 (a) DEFINITIONS.—For purposes of this section—

1 (1) HURRICANE IAN DISASTER AREA.—The
2 term “Hurricane Ian disaster area” means an area
3 with respect to which a major disaster has been de-
4 clared by the President before the date of the enact-
5 ment of this section under section 401 of the Robert
6 T. Stafford Disaster Relief and Emergency Assist-
7 ance Act by reason of Hurricane Ian.

8 (2) HURRICANE NICOLE DISASTER AREA.—The
9 term “Hurricane Nicole disaster area” means an
10 area with respect to which a major disaster has been
11 declared by the President before the date of the en-
12 actment of this section under section 401 of the
13 Robert T. Stafford Disaster Relief and Emergency
14 Assistance Act by reason of Hurricane Nicole.

15 (3) HURRICANE FIONA DISASTER AREA.—The
16 term “Hurricane Fiona disaster area” means an
17 area with respect to which a major disaster has been
18 declared by the President before the date of the en-
19 actment of this section under section 401 of the
20 Robert T. Stafford Disaster Relief and Emergency
21 Assistance Act by reason of Hurricane Fiona.

22 (b) SPECIAL RULES FOR QUALIFIED DISASTER-RE-
23 LATED PERSONAL CASUALTY LOSSES.—

24 (1) IN GENERAL.—If an individual has a net
25 disaster loss for any taxable year—

1 (A) the amount determined under section
2 165(h)(2)(A)(ii) of the Internal Revenue Code
3 of 1986 shall be equal to the sum of—

4 (i) such net disaster loss, and

5 (ii) so much of the excess referred to
6 in the matter preceding clause (i) of sec-
7 tion 165(h)(2)(A) of such Code (reduced
8 by the amount in clause (i) of this sub-
9 paragraph) as exceeds 10 percent of the
10 adjusted gross income of the individual,

11 (B) in the case of qualified disaster-related
12 personal casualty losses, section 165(h)(1) of
13 such Code shall be applied to by substituting
14 “\$500” for “\$500 (\$100 for taxable years be-
15 ginning after December 31, 2009)”,

16 (C) the standard deduction determined
17 under section 63(c) of such Code shall be in-
18 creased by the net disaster loss, and

19 (D) section 56(b)(1)(E) of such Code shall
20 not apply to so much of the standard deduction
21 as is attributable to the increase under sub-
22 paragraph (C) of this paragraph.

23 (2) NET DISASTER LOSS.—For purposes of this
24 subsection, the term “net disaster loss” means the
25 excess of qualified disaster-related personal casualty

1 losses over personal casualty gains (as defined in
 2 section 165(h)(3)(A) of the Internal Revenue Code
 3 of 1986).

4 (3) QUALIFIED DISASTER-RELATED PERSONAL
 5 CASUALTY LOSSES.—For purposes of this sub-
 6 section, the term “qualified disaster-related personal
 7 casualty losses” means losses described in section
 8 165(c)(3) of the Internal Revenue Code of 1986—

9 (A) which arise in the Hurricane Ian dis-
 10 aster area on or after September 23, 2022, and
 11 which are attributable to Hurricane Ian,

12 (B) which arise in the Hurricane Nicole
 13 disaster area on or after November 7, 2022,
 14 and which are attributable to Hurricane Nicole,
 15 or

16 (C) which arise in the Hurricane Fiona
 17 disaster area on or after September 17, 2022,
 18 and which are attributable to Hurricane Fiona.

19 (c) APPLICATION TO PUERTO RICO.—

20 (1) IN GENERAL.—The Secretary of the Treas-
 21 ury shall pay to Puerto Rico amounts estimated by
 22 the Secretary of the Treasury as being equal to the
 23 aggregate benefits that would have been provided to
 24 residents of Puerto Rico by reason of the provisions
 25 of this section if a mirror code tax system had been

1 in effect in Puerto Rico. The preceding sentence
2 shall not apply with respect to Puerto Rico unless
3 Puerto Rico has a plan, which has been approved by
4 the Secretary of the Treasury, under which Puerto
5 Rico will promptly distribute such payments to its
6 residents.

7 (2) DEFINITION AND SPECIAL RULES.—

8 (A) MIRROR CODE TAX SYSTEM.—For pur-
9 poses of this subsection, the term “mirror code
10 tax system” means, with respect to any posses-
11 sion of the United States, the income tax sys-
12 tem of such possession if the income tax liabil-
13 ity of the residents of such possession under
14 such system is determined by reference to the
15 income tax laws of the United States as if such
16 possession were the United States.

17 (B) TREATMENT OF PAYMENTS.—For pur-
18 poses of section 1324 of title 31, United States
19 Code, the payments under this subsection shall
20 be treated in the same manner as a refund due
21 from a credit provision referred to in subsection
22 (b)(2) of such section.

23 (C) COORDINATION WITH UNITED STATES
24 INCOME TAXES.—In the case of any person
25 with respect to whom a tax benefit is taken into

1 account with respect to the taxes imposed by
2 any possession of the United States by reason
3 of this section, the Internal Revenue Code of
4 1986 shall be applied with respect to such per-
5 son without regard to the provisions of this sec-
6 tion which provide such benefit.

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