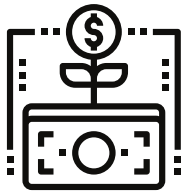


DISASTER REFORESTATION ACT (S.217)

Introduced February 1, 2023



The Issue At Hand



The current tax code has the unintended consequence of penalizing forest landowners whose timber is destroyed by a natural disaster. Under current law, the landowner is only allowed to deduct the lesser amount of the value, the cost basis, or the adjusted timber basis, which is usually \$0 after the 84-month amortization period or only a fraction of the value of the destroyed timber.

A SIMPLE FIX FOR FOREST LANDOWNERS

WHAT IT DOES:

The Disaster Reforestation Act would amend the tax code to allow forest owners to deduct the value of their timber prior to the loss caused by a natural disaster.

This fix would provide permanent assurances to landowners when their timber crops are destroyed by a natural disaster and give them the tools they need to recover.



Why This is Needed

Forest landowners receive NO guaranteed federal funding from disaster relief funding NOR are they provided tax relief from loss of their timber crop based on current tax code.

Most producers impacted by natural disasters don't have an annual income from their crop. Landowners growing timber for market must wait 25 to 40 years before their crop is ready to sell to the market.

During this time, the landowners must pay expenses and taxes annually without crop income while they wait for their timber to mature to market, usually 25 years for softwood and 40 plus years for hardwoods.

SPONSORS

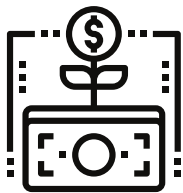
SENATOR BILL CASSIDY (R-LA)
SENATOR RAPHAEL WARNOCK (D-GA)

DISASTER REFORESTATION ACT (HR 655)

Introduced January 31, 2023



The Issue At Hand



The current tax code has the unintended consequence of penalizing forest landowners whose timber is destroyed by a natural disaster. Under current law, the landowner is only allowed to deduct the lesser amount of the value, the cost basis, or the adjusted timber basis, which is usually \$0 after the 84-month amortization period or only a fraction of the value of the destroyed timber.

A SIMPLE FIX FOR FOREST LANDOWNERS

WHAT IT DOES:

The Disaster Reforestation Act would amend the tax code to allow forest owners to deduct the value of their timber prior to the loss caused by a natural disaster.

This fix would provide permanent assurances to landowners when their timber crops are destroyed by a natural disaster and give them the tools they need to recover.



Why This is Needed

Forest landowners receive NO guaranteed federal funding from disaster relief funding NOR are they provided tax relief from loss of their timber crop based on current tax code.

Most producers impacted by natural disasters don't have an annual income from their crop. Landowners growing timber for market must wait 25 to 40 years before their crop is ready to sell to the market.

During this time, the landowners must pay expenses and taxes annually without crop income while they wait for their timber to mature to market, usually 25 years for softwood and 40 plus years for hardwoods.

SPONSORS

REPRESENTATIVE TERRI SEWELL (D-AL)
REPRESENTATIVE BUDDY CARTER (R-GA)