

119TH CONGRESS
1ST SESSION

S. _____

To exclude certain amounts relating to compensating victims of the Texas Panhandle fires, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. CRUZ introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To exclude certain amounts relating to compensating victims of the Texas Panhandle fires, and for other purposes.

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 “Wildfire Victim Tax
5 Relief and Recovery Act”.

6 **SEC. 2. TEXAS PANHANDLE FIRE DISASTER RELIEF PAY-**
7 **MENTS.**

8 (a) IN GENERAL.—Texas Panhandle fire payments
9 shall be treated as qualified disaster relief payments for

1 purposes of section 139(b) of the Internal Revenue Code
2 of 1986.

3 (b) TEXAS PANHANDLE FIRE PAYMENTS.—For pur-
4 poses of this section, the term “Texas Panhandle fire pay-
5 ment” means any amount received by or on behalf of an
6 individual as compensation for loss, damages, expenses,
7 loss in real property value, closing costs with respect to
8 real property (including realtor commissions), or inconven-
9 ience (including access to real property) resulting from
10 any Texas Panhandle fire if such amount was provided
11 by—

12 (1) a Federal, State, or local government agen-
13 cy,

14 (2) Xcel Energy, or

15 (3) any subsidiary, insurer, or agent of Xcel
16 Energy or any related person.

17 Such term shall not include any payment in connection
18 with loss, damages, expenses, real property, or inconven-
19 ience that is not personal in nature.

20 (c) TEXAS PANHANDLE FIRE.—For purposes of this
21 section, the term “Texas Panhandle fire” means any of
22 the following wildfires:

23 (1) The Smokehouse Creek Fire that ignited in
24 Hutchinson County, Texas, on February 26, 2024.

1 (2) The Windy Deuce Fire that ignited in
2 Moore County, Texas, on February 26, 2024.

3 (3) The Grape Vine Creek Fire that ignited in
4 Gray County, Texas, on February 26, 2024.

5 (4) The 687 Reamer Fire that ignited in
6 Hutchinson County, Texas, on February 27, 2024.

7 (5) The Roughneck Fire that ignited in Hutch-
8 inson County, Texas, on March 3, 2024.

9 (d) EFFECTIVE DATE.—This section shall apply to
10 amounts received on or after February 26, 2024.

11 **SEC. 3. INVOLUNTARY CONVERSIONS OF LIVESTOCK.**

12 (a) LIVESTOCK SOLD ON ACCOUNT OF FIRE.—

13 (1) IN GENERAL.—Section 1033(e)(1) of the
14 Internal Revenue Code of 1986 is amended by in-
15 sserting “fire,” after “flood,”.

16 (2) EXTENSION OF REPLACEMENT PERIOD.—
17 Section 1033(e)(2) of such Code is amended by in-
18 sserting “fire,” after “flood,”.

19 (3) CONFORMING AMENDMENT.—The heading
20 for section 1033(e) of such Code is amended by in-
21 sserting “FIRE,” after “FLOOD,”.

22 (b) REPLACEMENT OF LIVESTOCK WITH OTHER
23 PROPERTY.—Section 1033(f) of the Internal Revenue
24 Code of 1986 is amended by inserting “fire,” after
25 “flood,”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2023.

4 **SEC. 4. PROCEEDS FROM LIVESTOCK SOLD ON ACCOUNT**
5 **OF FIRE.**

6 (a) IN GENERAL.—Section 451(g) of the Internal
7 Revenue Code of 1986 is amended by inserting “fire,”
8 after “flood”.

9 (b) CONFORMING AMENDMENT.—The heading for
10 section 451(g) of such Code is amended by inserting
11 “FIRE,” after “FLOOD,”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 2023.