



July 12, 2023

The Honorable Joe Courtney  
United States House of Representatives  
2449 Rayburn House Office Building  
Washington, DC 20515

The Honorable Daniel Reed Crenshaw  
United States House of Representatives  
248 Cannon House Office Building  
Washington, DC 20515

**Re: H.R. 4539, the Casualty Loss Deduction Restoration Act**

Dear Representative Courtney and Representative Crenshaw:

The American Institute of CPAs (AICPA) commends your efforts to provide tax relief to individuals and businesses affected by disasters and casualty losses. It is important to offer certainty to taxpayers who are victims of disasters and casualties, and we appreciate your thoughtful leadership in finding ways to solve these difficult problems.

Specifically, the AICPA supports the proposed legislation, H.R. 4539, the *Casualty Loss Deduction Restoration Act*, which would repeal the suspension imposed by the *Tax Cut and Jobs Act* for tax years 2018-2025 of personal casualty loss deductions not attributable to a Federally declared disaster, subject to a maximum deduction of \$50,000 per year for tax years 2018-2025. In addition, the proposed legislation would extend the period of limitation on filing a claim for credit or refund of tax as a result of a deductible personal casualty loss for tax years 2018-2025.

Disasters, such as damage to homes from floods, fires, and building issues regularly affect taxpayers at all times of the year, but our current system does not provide fair and reliable tax relief for disaster victims. For many years, the AICPA has urged Congress to enact timely, uniform, and permanent tax legislation that would take effect immediately when a state emergency is declared by a Governor, rather than providing delayed tax relief through separate individual bills following each disaster. The AICPA developed [11 recommendations](#) to improve the patchwork situation that currently exists and also alleviate tax compliance burdens to disaster victims during these difficult times. Our proposals will help homeowners and business owners alike with the emotional, expensive, and often long process of recovery and rebuilding.

We appreciate the opportunity to provide our comments on the *Casualty Loss Deduction Restoration Act*. Specifically, the AICPA notes that the proposed legislation as drafted does not affect or change the limitation that each casualty loss must exceed \$100 and a net casualty loss is allowed only to the extent it exceeds the current threshold of 10% of Adjusted Gross Income (AGI). Consequently, the proposed \$50,000 maximum allowable deduction means that individual taxpayers with deductible non-disaster casualty losses and AGI less than \$500,000 may benefit the most from this legislation.

The AICPA suggests that the bill include a carryforward of net casualty loss amounts in excess over the \$50,000, and that the \$50,000 amount be indexed for inflation.

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In addition, the AICPA continues to advocate for our [tax legislative compendium disaster tax relief recommendations, including item 2](#), waiving the casualty loss floor of 10% of AGI (section 165(h)(2)) and the \$100 per loss floor (section 165(h)(1)) as well as allowing a casualty loss deduction as an addition to the individual's standard deduction for losses attributable to a federally declared disaster event. Additionally, the AICPA recommends allowing a taxpayer election to make charitable contributions in excess of the otherwise applicable AGI percentage limitations for certain contributions to qualified disaster relief efforts. These suggested provisions would extend more relief to affected disaster and casualty loss victims and streamline the casualty loss calculation.

The AICPA supports and appreciates the relief that this legislation would provide to American taxpayers.

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The AICPA is the world's largest member association representing the accounting profession, with more than 421,000 members in the United States and worldwide, and a history of serving the public interest since 1887. Our members advise clients on federal, state, and international tax matters and prepare income and other tax returns for millions of Americans. Our members provide services to individuals, not-for-profit organizations, small and medium-sized businesses, as well as America's largest businesses.

We appreciate your consideration of these comments and welcome the opportunity to discuss these issues further or to answer any questions that you may have. If you have any questions, please feel free to contact Eileen Sherr, AICPA Director – Tax Policy and Advocacy, at (202) 434-9256 or [Eileen.Sherr@aicpa-cima.com](mailto:Eileen.Sherr@aicpa-cima.com); or Lauren Pflugstag, AICPA Director – Congressional and Political Affairs, at (407) 257-0607 or [Lauren.Pflugstag@aicpa-cima.com](mailto:Lauren.Pflugstag@aicpa-cima.com); or me at (830) 372-9692 or [Bvickers@alamo-group.com](mailto:Bvickers@alamo-group.com).

Sincerely,



Blake Vickers, CPA, CGMA  
Chair, AICPA Tax Executive Committee

cc: Mr. Thomas Barthold, Chief of Staff, Joint Committee on Taxation