



October 27, 2023

The Honorable Kat Cammack  
United States House of Representatives  
2421 Rayburn House Office Building  
Washington, DC 20515

The Honorable Rick Scott  
United States Senate  
110 Hart Senate Office Building  
Washington, DC 20510

RE: H.R. 5343 / S. 2721, Federal Disaster Responsibility Act

Dear Representative Cammack and Senator Scott:

The American Institute of CPAs (AICPA) commends your efforts to provide disaster tax relief by introducing the Federal Disaster Responsibility Act, [H.R. 5343](#) and [S. 2721](#).

Currently, the federal government deals with disasters as individual events. The current process results in taxpayers receiving different treatment for similar losses and not knowing what tax treatment they will receive until Congress enacts some form of relief, which frequently occurs long after the disaster.

The Disaster Tax Relief and Airport Extension Act of 2017,<sup>1</sup> the Taxpayer Certainty and Disaster Tax Relief Act of 2019,<sup>2</sup> and the Taxpayer Certainty and Disaster Tax Relief Act of 2020<sup>3</sup> provided the same “special rules” for casualty loss deductions attributed to a qualified disaster, as follows:

- Waiver of the 10% of AGI limitation;
- Setting the per-casualty floor to \$500 (vs. the standard \$100); and
- Addition of a casualty loss deduction to the individual’s standard deduction.

The “special rule” treatment ended on December 27, 2020. We support [H.R. 5343](#) and [S. 2721](#), the Federal Disaster Responsibility Act, which would apply these “special rules” to qualified disasters occurring after December 27, 2020, and on or before December 31, 2023.

The Federal Disaster Responsibility Act would address the inconsistent tax treatment taxpayers are experiencing, where some taxpayers (i.e., those with losses arising from Hurricane Zeta) were provided the “special rules” for their casualty loss, and other taxpayers (i.e., those with losses arising from Hurricanes Ida, Ian, and Nicole, and the Maui Wildfires) did not receive the “special rules.” We applaud this legislation, which is similar to provisions in our previously submitted tax legislative compendium,<sup>4</sup> and are pleased that this legislation would retroactively close the gap in tax relief. As we also suggest in our tax legislative compendium,<sup>5</sup> it would be helpful if this

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<sup>1</sup> Pub. L. No. 115-63.

<sup>2</sup> Enacted as Division Q of the Further Consolidated Appropriations Act, 2020, Pub. L. No. 116-94.

<sup>3</sup> Enacted as Division EE of the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260.

<sup>4</sup> AICPA comments, “[Compendium of Tax Legislative Proposals Simplification and Technical Proposals](#),” February 7, 2023, item 2, pages 33-34.

<sup>5</sup> AICPA comments, “[Compendium of Tax Legislative Proposals Simplification and Technical Proposals](#),” February 7, 2023, item 1, page 33.

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legislation was made permanent for fairness and consistency among taxpayers and qualified disasters.

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 welcome the opportunity to discuss these comments or to answer any questions that you may have. If you have any questions, please contact Peter Mills, AICPA Senior Manager, Tax Policy & Advocacy at (202) 434-9272, or [Peter.Mills@aicpa-cima.com](mailto:Peter.Mills@aicpa-cima.com); Lauren Pfingstag, Director, Legislative Affairs, at (407) 257-0607 or [Lauren.Pfingstag@aicpa-cima.com](mailto:Lauren.Pfingstag@aicpa-cima.com); Gerald Schreiber, chair of the AICPA Disaster Tax Relief Task Force at (504) 832-1819 or [ghschreiber@schreibercpa.com](mailto:ghschreiber@schreibercpa.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  
The Honorable Lily Batchelder, Assistant Secretary for Tax Policy, Department of the Treasury  
Mr. Tom West, Deputy Assistant Secretary for Tax Policy, Department of the Treasury  
The Honorable Daniel I. Werfel, Commissioner, Internal Revenue Service  
Mr. William M. Paul, Principal Deputy Chief Counsel, Internal Revenue Service  
Ms. Amalia C. Colbert, Commissioner, Small Business/Self Employed Division, Internal Revenue Service