

## S 496

### Wildfire Victim Tax Relief and Recovery Act

**Congress:** 119 (2025–2027, Current)

**Chamber:** Senate

**Policy Area:** Taxation

**Introduced:** Feb 10, 2025

**Current Status:** Read twice and referred to the Committee on Finance.

**Latest Action:** Read twice and referred to the Committee on Finance. (Feb 10, 2025)

**Official Text:** <https://www.congress.gov/bill/119th-congress/senate-bill/496>

## Sponsor

**Name:** Sen. Cruz, Ted [R-TX]

**Party:** Republican • **State:** TX • **Chamber:** Senate

## Cosponsors

No cosponsors are listed for this bill.

## Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Feb 10, 2025

## Subjects & Policy Tags

### Policy Area:

Taxation

## Related Bills

Bill	Relationship	Last Action
119 HR 1169	Identical bill	Feb 10, 2025: Referred to the House Committee on Ways and Means.

## **Wildfire Victim Tax Relief and Recovery Act**

This bill allows farmers to defer taxes on gain from the sale or exchange of livestock because of a fire. (Conditions apply.) The bill also allows individuals to exclude from gross income (for tax purposes) certain disaster relief payments received in connection with specific Texas wildfires.

Currently, farmers may defer gain on the sale or exchange of livestock (other than poultry) held for draft, breeding, or dairy purposes due to drought, flood, or other weather-related conditions for two years (four years if attributable to a federally-declared disaster). Otherwise, under current law, gain on the sale of livestock (including poultry) due to such weather-related conditions attributable to a federally-declared disaster may be deferred for one year. (Conditions apply.)

The bill adds fire to the list of circumstances for which the gain on the sale or exchange of livestock may be deferred, thus allowing farmers to defer such gains for up to four years (depending on the type of livestock and whether the sale is attributable to a federally-declared disaster).

The bill also allows individuals to exclude from gross income payments received from federal, state, or local government agencies or Xcel Energy (or any subsidiary, insurer, or agent of Xcel Energy) as compensation for unreimbursed losses, damages, and certain expenses attributable to the

- Smokehouse Creek, 687 Reamer, and Roughneck Fires (Hutchinson County, Texas, February and March 2024);
- Windy Deuce Fire (Moore County, Texas, February 2024); and
- Grape Vine Creek Fire (Gray County, Texas, February 2024).

## **Actions Timeline**

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- **Feb 10, 2025:** Introduced in Senate
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