

Calendar No. 398

103D CONGRESS
2D SESSION

S. 1814

[Report No. 103-244]

A BILL

To amend the Internal Revenue Code of 1986 to provide that a taxpayer may elect to include in income crop insurance proceeds and disaster payments in the year of the disaster or in the following year.

APRIL 5, 1994

Reported under authority of the order of the Senate of March 22 (legislative day, February 22), 1994, with amendments and an amendment to the title.

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 1 (legislative day, JANUARY 25), 1993

Mr. DASCHLE (for himself, Mr. HARKIN, Mr. GRASSLEY, Mr. FEINGOLD, Mr. BOREN, Mr. WELLSTONE, Mr. BREAUX, Mr. KOHL, Mr. DOLE, Mr. CONRAD, Mr. DORGAN, Mr. DURENBERGER, Mr. LEAHY, Mrs. KASSEBAUM, Mr. EXON, Mr. PRESSLER, Mr. BUMPERS, and Mr. LOTT) introduced the following bill; which was read twice and referred to the Committee on Finance

APRIL 5, 1994

Reported under authority of the order of the Senate of March 22 (legislative day, February 22), 1994, by Mr. MOYNIHAN, with amendments and an amendment to the title

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend the Internal Revenue Code of 1986 to provide that a taxpayer may elect to include in income crop insurance proceeds and disaster payments in the year of the disaster or in the following year.

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. SPECIAL RULE FOR CROP INSURANCE PRO-**
 4 **CEEDS AND DISASTER PAYMENTS.**

5 (a) IN GENERAL.—Section 451(d) of the Internal
 6 Revenue Code of 1986 (relating to special rule for crop
 7 insurance proceeds and disaster payments) is amended to
 8 read as follows:

9 “(d) SPECIAL RULE FOR CROP INSURANCE PRO-
 10 CEEDS AND DISASTER PAYMENTS.—

11 “(1) GENERAL RULE.—In the case of any pay-
 12 ment described in paragraph (2), a taxpayer report-
 13 ing on the cash receipts and disbursements method
 14 of accounting—

15 “(A) may elect to treat any such payment
 16 received in the taxable year of destruction or
 17 damage of crops as having been received in the
 18 following taxable year if the taxpayer estab-
 19 lishes that, under the taxpayer’s practice, in-
 20 come from such crops involved would have been
 21 reported in ~~the~~ a following taxable year, or

22 “(B) may elect to treat any such payment
 23 received in ~~the~~ a taxable year following the tax-
 24 able year of the destruction or damage of crops
 25 as having been received in the taxable year of

1 destruction or damage, if the taxpayer estab-
2 lishes that, under the taxpayer's practice, in-
3 come from such crops involved would have been
4 reported in the taxable year of destruction or
5 damage.

6 “(2) PAYMENTS DESCRIBED.—For purposes of
7 this subsection, a payment is described in this para-
8 graph if such payment—

9 “(A) is insurance proceeds received on ac-
10 count of destruction or damage to crops, or

11 “(B) is disaster assistance received under
12 any Federal law as a result of—

13 “(i) destruction or damage to crops
14 caused by drought, flood, or other natural
15 disaster, or

16 “(ii) inability to plant crops because
17 of such a disaster.”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 subsection (a) applies to payments received after Decem-
20 ber 31, 1992, as a result of destruction or damage occur-
21 ring after such date.

1 **SEC. 2. TECHNICAL CORRECTION REGARDING INDEXATION**
 2 **OF THRESHOLD APPLICABLE TO LUXURY**
 3 **AUTOMOBILE EXCISE TAX.**

4 (a) *IN GENERAL.*—Subsection (e) of section 4001 of
 5 the Internal Revenue Code of 1986 (relating to inflation ad-
 6 justment) is amended to read as follows:

7 “(e) *INFLATION ADJUSTMENT.*—

8 “(1) *IN GENERAL.*—In the case of any calendar
 9 year after 1993, the \$30,000 amount in subsection (a)
 10 and section 4003(a) shall be increased by an amount
 11 equal to—

12 “(A) \$30,000, multiplied by

13 “(B) the cost-of-living adjustment under sec-
 14 tion 1(f)(3) for such calendar year, determined
 15 by substituting ‘calendar year 1990’ for ‘cal-
 16 endar year 1992’ in subparagraph (B) thereof.

17 “(2) *ROUNDING.*—If any amount as adjusted
 18 under paragraph (1) is not a multiple of \$2,000, such
 19 amount shall be rounded to the next lowest multiple
 20 of \$2,000.”

21 (b) *EFFECTIVE DATE.*—The amendment made by sub-
 22 section (a) shall take effect on January 1, 1995.

Amend the title so as to read: “A bill to amend the Internal Revenue Code of 1986 to provide that a taxpayer may elect to include in income crop insurance proceeds and disaster payments in the year of the disaster or in the following year, to provide for a technical correc-

tion regarding indexation of the threshold applicable to the luxury automobile excise tax, and for other purposes.”.