

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 3757

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.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 1994

Mr. MINGE (for himself, Mr. JOHNSON of South Dakota, Mr. GRANDY, Mr. ROBERTS, Mr. HOAGLAND, Mr. PETERSON of Minnesota, Mr. OBEY, Mr. COSTELLO, Mr. SKELTON, Mr. EMERSON, Ms. DANNER, Mr. LEACH, Mr. GLICKMAN, Mr. BEREUTER, Mr. BARRETT of Nebraska, Mr. POMEROY, Mr. SLATTERY, Mr. MANZULLO, Mr. EWING, Mr. EVANS, Mr. LIGHT-FOOT, Ms. LONG, Mr. DE LA GARZA, and Mr. NUSSLE) introduced the following bill; which was referred to the Committee on Ways and Means

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## 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

1 insurance proceeds and disaster payments) is amended to  
2 read as follows:

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

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

9 “(A) may elect to treat any such payment  
10 received in the taxable year of destruction or  
11 damage of crops as having been received in the  
12 following taxable year if the taxpayer estab-  
13 lishes that, under the taxpayer’s practice, in-  
14 come from such crops involved would have been  
15 reported in the following taxable year, or

16 “(B) may elect to treat any such payment  
17 received in the taxable year following the tax-  
18 able year of destruction or damage of crops as  
19 having been received in the taxable year of de-  
20 struction or damage if the taxpayer establishes  
21 that, under the taxpayer’s practice, income  
22 from such crops involved would have been re-  
23 ported in the taxable year of destruction or  
24 damage.

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

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

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

8           “(i) destruction or damage to crops  
9 caused by drought, flood, or other natural  
10 disaster, or

11           “(ii) inability to plant crops because  
12 of such a disaster.”

13       (b) EFFECTIVE DATE.—The amendment made by  
14 this section applies to payments received after December  
15 31, 1992, as a result of destruction or damage occurring  
16 after such date.

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