

June 15, 2023

The Honorable Joseph Courtney  
U.S. House of Representatives  
2449 Rayburn House Office Building  
Washington, DC 20515

Dear Representative Courtney:

On behalf of the more than 1.5 million members of the NATIONAL ASSOCIATION OF REALTORS®, thank you for introducing the Casualty Loss Deduction Restoration Act to support homeowners throughout the Nation who have or will become victims of property disasters through restoring the property casualty loss deduction.

Prior to 2018, section 165 of the Internal Revenue Code allowed taxpayers to deduct personal casualty losses to the extent such losses exceeded 10 percent of their adjusted gross income plus \$100. However, the Tax Cuts and Jobs Act placed a severe new restriction for many homeowners for the years 2018 through 2025, namely that the only personal casualty losses that can be deducted are those attributable to a Federally declared disaster.

Unfortunately, this restriction leaves behind many thousands of homeowners who suffer various isolated or less-than-widespread casualties that are often just as serious or even more so than those inflicted through an event that is declared a major disaster by the President.

Data provided by the Internal Revenue Service (IRS) indicates that the number of tax returns on which personal casualty deductions were claimed in 2018, the first year the restriction was in place, dropped to about one-sixth of the number filed in 2017, before the new rule took effect. Also, the amount of casualty deduction claimed in 2018 dropped to about one-fifth of the amount claimed in 2017. While probably not all the taxpayers who found themselves unable to deduct their casualty losses under the new rule were homeowners, it is highly likely that a significant number did own a home that suffered a loss from various casualty events that were not part of a presidential declaration.

We believe homeownership is such a foundational part of the American dream that it is vital that our tax laws continue to support it and also to assist all the Nation's households when they suffer from unexpected tragedy that leads to property loss, whether part of Federally declared disaster or not.

Thank you for your leadership on this issue.

Sincerely,



Kenny Parcell  
2023 President, National Association of REALTORS®