

**Congress of the United States**  
**Washington, DC 20515**

May 12, 2020

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
H-232, The Capitol  
Washington, D.C. 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
H-204, The Capitol  
Washington, D.C. 20515

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
S-230, The Capitol  
Washington, D.C. 20510

The Honorable Chuck Schumer  
Minority Leader  
U.S. Senate  
S-221, The Capitol  
Washington, D.C. 20510

Dear Speaker Pelosi, Leader McCarthy, Leader McConnell, and Leader Schumer:

While the COVID-19 pandemic has affected our entire country, we write to highlight its particular impact on forest landowners. Natural disasters in recent years have caused significant damage to forests across the nation at a substantial financial cost to forest landowners. As communities focus on recovering from the economic damage due to COVID-19, forest landowners are simultaneously preparing for another year of anticipated tornados, hurricanes, wildfires, and other natural disasters. We, therefore, request the inclusion of the Forest Recovery Act (FRA), H.R. 1444/S.1687, in future COVID-19 response legislation to provide economic relief and stimulate recovery.

Forest landowners provide vital economic benefits to rural communities. Nationally, the ripple effect of timber generates 2.5 million jobs, \$109 billion in payroll, and \$288 billion in sales and manufacturing. The inclusion of the FRA in our response would allow forest landowners to continue meeting growing demand, encourage reforestation, and help rural communities maintain their economic base during these uncertain times.

FRA would amend the tax code to allow for in the case of a natural disaster, the loss of uncut timber would be valued at fair market value (FMV) as opposed to the current law that uses the adjusted cost basis of the timber. The adjusted cost basis amortizes to zero after 7-years. When taken in conjunction with the 25 to 40-year growth cycle to reach full market maturity, current law provides no means to deduct the FMV of destroyed timber. The current deduction greatly diminishes the value, making it difficult for forest landowners to pay yearly expenses, including taxes annually, during the long growth cycle. Further, unlike many commodities, there is no federal crop insurance for timber. This rule would only apply if the timber was held for the purpose of being cut and sold, and the uncut timber subject to the loss is reforested within five years of the loss.

During the COVID-19 pandemic, timber has been instrumental in delivering crucial products including toilet paper, filters for masks, diapers, soaps, disinfecting wipes and medications. Before factories can even make these essential products, they need wooden pallets and paper packaging to move goods. We have been and remain reliant on forest landowners.

Amending the tax code to give forest landowners immediate relief and remain economically viable will have a significant impact on stimulating rural economies and ensuring a robust supply of timber to meet growing demands during COVID-19. As you consider future response measures to support the American economy and communities, we urge you to consider including H.R. 1444/S. 1687, the Forest Recovery Act.

Sincerely,



Earl L. "Buddy" Carter  
Member of Congress



Sanford D. Bishop, Jr.  
Member of Congress



Neal P. Dunn, M.D.  
Member of Congress



Kelly Loeffler  
United States Senator



Al Lawson  
Member of Congress



Ted S. Yoho, D.V.M.  
Member of Congress



Michael Guest  
Member of Congress



Darren Soto  
Member of Congress



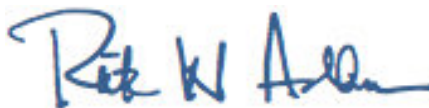
Austin Scott  
Member of Congress



John H. Rutherford  
Member of Congress



W. Gregory Steube  
Member of Congress



Rick Allen  
Member of Congress



Terri A. Sewell  
Member of Congress



Brian Mast  
Member of Congress



Bill Posey  
Member of Congress



Doug Collins  
Member of Congress



Steven M. Palazzo  
Member of Congress



Alcee L. Hastings  
Member of Congress



Ralph Abraham, M.D.  
Member of Congress



Trent Kelly  
Member of Congress



Bruce Westerman  
Member of Congress



Bennie Thompson  
Member of Congress