

By Senator Gaetz

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Senate Memorial

A memorial to the Congress of the United States,
urging Congress to exempt from federal income tax
payments made to victims of the Deepwater Horizon oil
disaster and to extend the net operating loss
carryback period from 2 years to 5 years.

WHEREAS, there was an explosion at the Deepwater Horizon
oil rig the night of April 20, 2010, and

WHEREAS, the explosion caused hundreds of millions of
gallons of oil to spill into the Gulf of Mexico and wash up on
the coastlines of the five Gulf Coast states, and

WHEREAS, this man-made disaster has spoiled Florida's
coastline and waterways and devastated its fishing and tourism
industries, and

WHEREAS, this man-made disaster has directly resulted in
the loss of jobs and business for Floridians, and

WHEREAS, in June 2010, a preliminarily study by the
University of Central Florida predicted job losses of 195,000
and spending losses of \$10.9 billion if Florida's 23 counties
along the Gulf Coast lose 50 percent of their tourism and
leisure jobs and spending, and

WHEREAS, that preliminary study also predicted job losses
of 39,000 and spending losses of \$2 billion if those same
counties lose 10 percent of their tourism and leisure jobs and
spending, and

WHEREAS, under the Oil Pollution Act of 1990 and other
applicable laws, BP has been designated as a responsible party
and is accountable for processing and paying all costs and

4-00272-11

2011216__

30 applicable damages incurred by individuals, businesses, the
31 state, and local governments as a result of the disaster, and

32 WHEREAS, in late August, a neutral fund administrator took
33 over claims for costs and damages incurred as a result of the
34 oil discharges due to the Deepwater Horizon oil disaster through
35 the Gulf Coast Claims Facility, to be paid from an escrow
36 account to which BP has agreed to contribute \$20 billion over a
37 4-year period, and

38 WHEREAS, the Gulf Coast Claims Facility evaluates claims
39 for removal and clean-up costs, damage to real or personal
40 property, lost earnings or profits, loss of subsistence use of
41 natural resources, or physical injury or death, and

42 WHEREAS, the Internal Revenue Service has determined that
43 claims paid for lost wages, income, and profits, as well as
44 claims paid for certain property damage, are subject to federal
45 income tax, NOW, THEREFORE,

46
47 Be It Resolved by the Legislature of the State of Florida:

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49 That the Legislature requests the United States Congress to
50 enact legislation that:

51 (1) Exempts from federal income tax those claim payments
52 made to individuals and businesses as a result of the Deepwater
53 Horizon oil disaster for:

54 (a) Lost wages, income, and profits; and

55 (b) Property damage.

56 (2) Allows fishing- and tourism-related businesses to carry
57 back their net operating losses from the oil disaster for an
58 additional 3 taxable years.

4-00272-11

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59 BE IT FURTHER RESOLVED that copies of this memorial be
60 dispatched to the President of the United States, to the
61 President of the United States Senate, to the Speaker of the
62 United States House of Representatives, and to each member of
63 the Florida delegation to the United States Congress.