

HM 679

2011

House Memorial

1
2 A memorial to the Congress of the United States, urging
3 Congress to exempt from federal income tax payments made
4 to victims of the Deepwater Horizon oil disaster and to
5 extend the net operating loss carryback period from 2
6 years to 5 years.

7
8 WHEREAS, there was an explosion at the Deepwater Horizon
9 oil rig the night of April 20, 2010, and

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

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

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

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

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

27 WHEREAS, under the Oil Pollution Act of 1990 and other
28 applicable laws, BP has been designated as a responsible party

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29 and is accountable for processing and paying all costs and
 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:

48
 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

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57 | carry back their net operating losses from the oil disaster for
58 | an additional 3 taxable years.

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.