November 10, 2026

The Honorable Mike Crapo
Chairman
U.S. Senate Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member
U.S. Senate Committee on Finance
United States Senate
Washington, D.C. 20510

Dear Chairman Crapo and Ranking Member Wyden:

The undersigned organizations urge you to advance H.R. 9500, the *Tax Relief for Fraud Victims Act*, and work to secure its passage in the Senate. This bipartisan legislation would provide meaningful tax relief to individuals and families recovering from fraud, theft, and devastating property losses.

The financial consequences of these losses can be profound and enduring. Victims may lose retirement savings accumulated over decades or face substantial expenses to repair damage to their homes. The tax code should recognize these hardships and provide a reasonable path to relief, rather than impose additional burdens on families already struggling to recover.

Current law generally restricts deductions for personal casualty and theft losses to those associated with federally or state-declared disasters. H.R. 9500 would remove that restriction, restoring access to deductions for otherwise qualifying losses even when no disaster declaration is issued. This change would recognize that severe financial hardship is not limited to losses within the boundaries of an officially declared disaster.

Restoring the casualty and theft loss deduction would also provide a more equitable framework for families recovering from both crime and catastrophic property losses. Natural disasters and other qualifying casualty events can undermine a household's financial security regardless of whether a disaster declaration is issued. Eligibility for relief should reflect the nature of the loss and applicable tax requirements, rather than depend solely on the existence of a declaration.

For fraud victims, the legislation would address a particularly troubling consequence of financial exploitation. Individuals who withdraw funds from tax-advantaged retirement accounts and subsequently lose those funds to criminals can still face substantial tax liabilities on the distributions. These victims are left confronting both the loss of their savings and taxes on money they no longer possess.

H.R. 9500 would restore deductions for qualifying theft losses, provide greater flexibility in determining the year in which fraud-related losses are claimed, and extend deadlines for seeking refunds or credits. It would also provide repayment and tax-refund opportunities for eligible retirement account distributions, waive early withdrawal penalties for certain fraud-related distributions, and provide relief for eligible past losses. Together, these provisions would help victims address the tax consequences of financial exploitation as they work to rebuild their financial security.

Our organizations share a fundamental principle: individuals who suffer losses through crime or qualifying casualty events deserve fair treatment under the tax code. Although tax relief cannot reverse the harm they have experienced, it can alleviate additional financial burdens and support their recovery.

We urge you to prioritize consideration of H.R. 9500 in the Senate Finance Committee and work with Senate leadership to secure its passage without delay.

Thank you for your consideration and your leadership on behalf of affected individuals and families.

Sincerely,

1. AARP
2. AFT
3. Alliance for Aging Research
4. American Retirement Association
5. American Society on Aging
6. ASCP - Age Friendly Pharmacies and Pharmacists
7. Better Markets
8. California Advocates for Nursing Home Reform (CANHR)
9. CFP Board
10. Citizens Bank
11. Community Legal Services in East Palo Alto
12. Consumer Federation of America
13. Crypto Compass Tax
14. Crypto Tax Girl
15. Elder Justice Coalition
16. Elder Law & Advocacy
17. FightCybercrime.org
18. Financial Planning Association
19. Financial Services Institute
20. Finseca
21. Gerontological Society of America
22. Heights Labs
23. Identity Theft Resource Center
24. International Association for Indigenous Aging
25. Investment Adviser Association
26. Investment Company Institute
27. Legal Assistance for Seniors
28. NASOP
29. National Academy of Elder Law Attorneys (NAELA)
30. National Adult Protective Services Association
31. National Association of Enrolled Agents
32. National Association of Government Defined Contribution Administrators (NAGDCA)
33. National Association of Personal Financial Advisors

34. National Association of REALTORS
35. National Committee to Preserve Social Security and Medicare
36. National Consumers League
37. National Council on Aging
38. NCBA, Inc.
39. Network of Jewish Human Service Agencies
40. Operation Shamrock
41. Pension Rights Center
42. Public Investors Advocate Bar Association
43. Retirement Clearinghouse
44. SIFMA
45. SVIA
46. The Aspen Institute Financial Security Program
47. The Committee on Investment of Employee Benefit Assets (CIEBA)
48. The Knoble
49. The SPARK Institute
50. UnidosUS
51. Village to Village Network
52. VirFin Solutions