12 T.C. 907 (1949)

Section 127 of the Internal Revenue Code, concerning war losses, is an exclusive provision, precluding deduction of casualty losses due to wartime seizure under Section 23(e) in years subsequent to the declaration of war.

Summary

The Tax Court addressed whether a taxpayer could claim a casualty loss under Section 23(e)(3) for the seizure of his Dutch bank accounts by German authorities during World War II, or if Section 127, concerning war losses, exclusively governed the timing and availability of such deductions. The court held that Section 127 was indeed exclusive. Because the seizure occurred after the declaration of war with Germany, the loss was deemed to have occurred in 1941 under Section 127, and could not be deducted in subsequent years (1942 and 1943) when the actual transfers took place.

Facts

The petitioner, a resident alien and Jewish, had a bank account in Amsterdam. In 1940, German forces occupied the Netherlands and implemented decrees restricting financial transactions, particularly for Jewish individuals. In 1941, a decree required Jews to deposit their assets with Lippmann, Rosenthal & Co., a German-controlled bank. The petitioner had two accounts with Pierson & Co.: a

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