A-Engrossed

Senate Bill 1520

Ordered by the Senate February 23
Including Senate Amendments dated February 23

Sponsored by Senators BOQUIST, FINDLEY, JAMA, MEEK, SMITH DB (Presession filed.)

SUMMARY
The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Exempts award from wildfire suit from income tax. (Flesch Readability Score: 71.8). Creates Oregon tax subtraction for amounts received in settlement of a civil action arising from wildfire. Allows taxpayer to amend return to claim refund for earliest tax year in which subtraction is allowed.

Applies to declarations and executive orders issued on or after January 1, 2020, and before January 1, 2026, and to amounts received in tax years beginning on or after January 1, 2020, and before January 1, 2026.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to an income tax subtraction for amounts received in wildfire litigation; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 2 of this 2024 Act is added to and made a part of ORS chapter 316.

SECTION 2. (1) There shall be subtracted from federal taxable income any amount received in judgment or settlement resulting from a civil action arising from wildfire, as defined in ORS 477.089, and awarded to a plaintiff.

(2) A subtraction under this section is allowed only for resolution of civil actions arising from wildfire that:

(a) Is the subject of a state of emergency declared by the Governor;

(b) Occurs in an area subject to an executive order of the Governor invoking the Emergency Conflagration Act under ORS 476.510 to 476.610; or

(c) Is a federally declared disaster, as defined in section 165 of the Internal Revenue Code, whether located within Oregon or elsewhere.

(3) A subtraction under this section:

(a) Is not allowed for any amount described in subsection (1) of this section that is taken into account as a deduction on the taxpayer’s federal income tax return for the tax year; and

(b) Is allowed only to the extent that losses, expenses or other damages compensated by the amount of the judgment or settlement are not compensated for by insurance or otherwise.

SECTION 3. Section 2 of this 2024 Act applies to declarations and executive orders issued on or after January 1, 2020, and before January 1, 2026, and, notwithstanding ORS 315.037, to amounts received in all tax years beginning on or after January 1, 2020.

SECTION 4. (1) Any taxpayer who seeks a refund due to exemption of amounts from wildfire

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

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taxation as provided in section 2 of this 2024 Act, as applicable to tax years beginning in
calendar year 2020, shall file an amended return for the applicable tax year.

(2) Notwithstanding ORS 314.415 (2), a taxpayer may file a claim for a refund described
in subsection (1) of this section at any time prior to May 15, 2025.

(3) A refund described in this section does not bear interest under ORS 305.220.

SECTION 5. This 2024 Act takes effect on the 91st day after the date on which the 2024
regular session of the Eighty-second Legislative Assembly adjourns sine die.