

HB 4007-2  
(LC 295)  
2/28/24 (CMT/ps)

Requested by HOUSE COMMITTEE ON REVENUE (at the request of Representative Nancy Nathanson)

**PROPOSED AMENDMENTS TO  
HOUSE BILL 4007**

1 On page 1 of the printed bill, delete lines 4 through 27 and delete page  
2 2 and insert:

3 **“SECTION 1. Sections 2 and 3 of this 2024 Act are added to and  
4 made a part of ORS chapter 316.**

5 **“SECTION 2. (1) There shall be subtracted from federal taxable in-  
6 come any amount received in judgment or settlement of a civil action  
7 arising from a wildfire, as defined in ORS 477.089, and awarded to a  
8 plaintiff.**

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

11 **“(a) Is the subject of a state of emergency declared by the Gover-  
12 nor;**

13 **“(b) Occurs in an area subject to an executive order of the Governor  
14 invoking the Emergency Conflagration Act under ORS 476.510 to  
15 476.610; or**

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

18 **“(3) A subtraction under this section:**

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

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

4       “SECTION 3. If, in computing federal income tax for the tax year,  
5 the taxpayer deducted itemized deductions, as defined in section 63(d)  
6 of the Internal Revenue Code, there may be subtracted from federal  
7 taxable income the amount:

8       “(1) That would be allowable under section 67 of the Internal Reve-  
9 nue Code as amended and in effect on December 21, 2017, and as ap-  
10 plicable to tax years beginning before January 1, 2018, as a deduction  
11 for legal fees incurred by a plaintiff seeking compensation for losses,  
12 expenses or damages through wildfire-related litigation; and

13       “(2) As applicable to the tax year of the taxpayer.

14       “SECTION 4. (1) Section 2 of this 2024 Act applies to declarations  
15 and executive orders issued on or after January 1, 2018, and before  
16 January 1, 2026, and, notwithstanding ORS 315.037, to amounts re-  
17 ceived in all tax years beginning on or after January 1, 2018.

18       “(2) Notwithstanding ORS 315.037, section 3 of this 2024 Act applies  
19 to losses incurred and to legal fees paid or incurred in all tax years  
20 beginning on or after January 1, 2018.

21       “SECTION 5. (1) Any taxpayer who seeks refunds due to exemption  
22 of amounts from taxation as provided in section 2 or 3 of this 2024 Act,  
23 as applicable to tax years beginning on or after January 1, 2018, and  
24 before January 1, 2021, shall file an amended return for the applicable  
25 tax year.

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

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

