

HB 4007-4
(LC 295)
3/1/24 (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. (1) As used in this section:

5 “(a) ‘Wildfire’ means a wildfire as defined in ORS 477.089, that:

6 “(A) Is the subject of a state of emergency declared by the Gover-
7 nor;

8 “(B) Occurs in an area subject to an executive order of the Gover-
9 nor invoking the Emergency Conflagration Act under ORS 476.510 to
10 476.610; or

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

13 “(b) ‘Wildfire-related litigation’ means litigation through which a
14 plaintiff seeks compensation for losses, expenses or damages found to
15 be caused by a wildfire.

16 “(2) There may be subtracted from federal taxable income the
17 amount:

18 “(a) That would be allowable under sections 63(d) and 67 of the
19 Internal Revenue Code as amended and in effect on December 21, 2017,
20 and as applicable to tax years beginning before January 1, 2018, as a
21 deduction for legal fees incurred by a plaintiff in wildfire-related liti-
22 gation; and

23 “(b) As applicable to the tax year of the taxpayer.

24 “(3) A subtraction under this section is allowed regardless of
25 whether the taxpayer elects to deduct itemized deductions on the
26 taxpayer’s federal or state return.

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

1 **“(2) Section 3 of this 2024 Act applies to:**

2 **“(a) Declarations and executive orders issued on or after January**
3 **1, 2018, and before January 1, 2026; and**

4 **“(b) Notwithstanding ORS 315.037, losses incurred and legal fees**
5 **paid or incurred in all tax years beginning on or after January 1, 2018.**

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

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

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

16 **“SECTION 6. This 2024 Act takes effect on the 91st day after the**
17 **date on which the 2024 regular session of the Eighty-second Legislative**
18 **Assembly adjourns sine die.”.**

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