

HJM 201 STAFF MEASURE SUMMARY

House Committee On Climate, Energy, and Environment

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Meeting Dates: 2/5, 2/10

WHAT THE MEASURE DOES:

The measure urges Congress to pass legislation to permanently extend federal tax cuts for wildfire victims (federal companion relief to Senate Bill 1520, 2024).

- *FISCAL: May have fiscal impact, but no statement issued yet*
- *REVENUE: May have revenue impact, but no statement issued yet*

ISSUES DISCUSSED:

- Labor Day wildfire victims' settlements
- Money wildfire victims pay for legal support and court fees

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Senate Bill 1520 (2024) established a personal income tax subtraction in Oregon for any amount received since 2018 in judgment or settlement of a civil action arising from a wildfire that was declared an emergency by the governor in years 2018 through 2025. The Federal Disaster Tax Relief Act of 2023, Pub. Law 118-148, provided that qualified wildfire relief payments were not subject to being taxed. The federal provisions providing full exclusion from personal income taxation of wildfire-related settlement payments expired at the end of 2025. Some wildfire-related settlement payments beginning in 2026 will again be subject to federal income taxes.