

# House Bill 3523

Sponsored by Representatives GOODWIN, MCINTIRE, OSBORNE, Senator SMITH DB; Representatives LEWIS, MORGAN, Senators ANDERSON, HANSELL

## 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 **as introduced**.

Creates Oregon tax subtraction for amounts received in settlement of civil action arising from wildfire.

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

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1 Relating to an income tax subtraction for wildfire settlements; and prescribing an effective date.

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

3 **SECTION 1. Section 2 of this 2023 Act is added to and made a part of ORS chapter 316.**

4 **SECTION 2. (1) There shall be subtracted from federal taxable income any amount re-**  
5 **ceived in settlement of a civil action arising from wildfire, as defined in ORS 477.089, and**  
6 **awarded to a plaintiff.**

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

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

10 **(b) Occurs in an area subject to an executive order of the Governor invoking the Emer-**  
11 **gency Conflagration Act under ORS 476.510 to 476.610.**

12 **(3) A subtraction may not be allowed under this section for any amount described in**  
13 **subsection (1) of this section that is taken into account as a deduction on the taxpayer's**  
14 **federal income tax return for the tax year.**

15 **SECTION 3. Section 2 of this 2023 Act applies to amounts received in tax years beginning**  
16 **on or after January 1, 2020, and before January 1, 2026.**

17 **SECTION 4. This 2023 Act takes effect on the 91st day after the date on which the 2023**  
18 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

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**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.