

Comparison of Wildfire Tax Relief Measures – Applicable to HB 4007 -4 & SB 1520 -A5

	HB 4007 -4 SB 1520 -A5	Federal Proposal - HR 7024
Policy Proposal	<ul style="list-style-type: none"> • Creates two distinct OR personal income tax subtractions <ul style="list-style-type: none"> ○ Amounts received from judgment or settlement arising from wildfire ○ Legal fees paid/incurred by plaintiff seeking compensation for losses/expenses/damages found to be caused by a qualified wildfire 	<ul style="list-style-type: none"> • Federal income exclusion (OR connected if measure becomes law) • Excludes any amount received by an individual as a qualified wildfire relief payment (compensation for losses, expenses, or damages)
Fire Qualification	<ul style="list-style-type: none"> • Federally declared disaster in Oregon or elsewhere, • State of Emergency declared by the Governor, or • Governor invokes Emergency Conflagration Act 	<ul style="list-style-type: none"> • Federally declared disaster
Legal Fees Subtraction	<ul style="list-style-type: none"> • May claim Oregon subtraction for legal fees incurred by plaintiff seeking compensation through wildfire-related litigation <ul style="list-style-type: none"> ○ Subtraction equal to amount as if miscellaneous itemized deduction was not eliminated beginning 2018 	N/A
Applicability	<ul style="list-style-type: none"> • Applies to fires designated in years 2018 through 2025 <ul style="list-style-type: none"> ○ Applies to amounts received in tax years 2018 and later ○ Applies to losses incurred & legal fees paid/incurred in tax years 2018 and later, and attributable to a designated wildfire • Allows amended returns by May 15, 2025, for TYs 2018, 2019, and 2020 	<ul style="list-style-type: none"> • Applies to qualified wildfire disasters declared after Dec. 31, 2014 • Applies to amounts received in tax years 2020 through 2025
Limitations	<ul style="list-style-type: none"> • No subtraction if amount taken as a deduction or credit in any tax year • Allowed only to extent that losses, expenses or other damages are not compensated for by insurance or otherwise 	<ul style="list-style-type: none"> • Allowed only to extent that losses, expenses or other damages are not compensated for by insurance or otherwise • Denial of double benefit from deduction or credit