

**A-Engrossed**  
**Senate Bill 1520**

Ordered by the Senate February 23  
Including Senate Amendments dated February 23

Sponsored by Senators BOQUIST, FINDLEY, JAMA, MEEK, SMITH DB (Presession filed.)

**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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Exempts award from wildfire suit from income tax. (Flesch Readability Score: 71.8).

Creates Oregon tax subtraction for amounts received in [*settlement*] **resolution** of a civil action arising from wildfire. **Allows taxpayer to amend return to claim refund for earliest tax year in which subtraction is allowed.**

Applies to **declarations and executive orders issued on or after January 1, 2020, and before January 1, 2026, and to** amounts received in tax years beginning on or after January 1, 2020[, and before January 1, 2026].

Takes effect on the 91st day following adjournment sine die.

**A BILL FOR AN ACT**

1  
2 Relating to an income tax subtraction for amounts received in wildfire litigation; and prescribing  
3 an effective date.

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

5 **SECTION 1. Section 2 of this 2024 Act is added to and made a part of ORS chapter 316.**

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

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

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

12 **(b) Occurs in an area subject to an executive order of the Governor invoking the Emer-**  
13 **gency Conflagration Act under ORS 476.510 to 476.610; or**

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

16 **(3) A subtraction under this section:**

17 **(a) Is not allowed for any amount described in subsection (1) of this section that is taken**  
18 **into account as a deduction on the taxpayer's federal income tax return for the tax year; and**

19 **(b) Is allowed only to the extent that losses, expenses or other damages compensated by**  
20 **the amount of the judgment or settlement are not compensated for by insurance or other-**  
21 **wise.**

22 **SECTION 3. Section 2 of this 2024 Act applies to declarations and executive orders issued**  
23 **on or after January 1, 2020, and before January 1, 2026, and, notwithstanding ORS 315.037,**  
24 **to amounts received in all tax years beginning on or after January 1, 2020.**

25 **SECTION 4. (1) Any taxpayer who seeks a refund due to exemption of amounts from**

**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.

1 **taxation as provided in section 2 of this 2024 Act, as applicable to tax years beginning in**  
2 **calendar year 2020, shall file an amended return for the applicable tax year.**

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

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

6 **SECTION 5. This 2024 Act takes effect on the 91st day after the date on which the 2024**  
7 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

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