

Senate Bill 1520

Sponsored by Senator BOQUIST (Pre-session 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 **as introduced**. 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 of a 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 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 settlement of a civil action arising from wildfire, as defined in ORS 477.089, and**
8 **awarded to a plaintiff.**

9 **(2) A subtraction under this section is allowed only for settlement 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 may not be allowed under this section for any amount described in**
17 **subsection (1) of this section that is:**

18 **(a) Taken into account as a deduction on the taxpayer's federal income tax return for**
19 **the tax year; or**

20 **(b) Allowed as a subtraction on a return filed with a taxing authority in another state.**

21 **SECTION 3. Section 2 of this 2024 Act applies to amounts received in tax years beginning**
22 **on or after January 1, 2020, and before January 1, 2026.**

23 **SECTION 4. This 2024 Act takes effect on the 91st day after the date on which the 2024**
24 **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.