

Submitter: Nancy Tague

On Behalf Of:

Committee: Senate Committee On Finance and Revenue

Measure: SB1520

Until September 8, 2020, I had lived for 24 years on twenty acres of beautiful forest land near the North Umpqua River. That day, I lost my home, possessions, land, and way of life in the Archie Creek Fire. We had about 15 minutes to throw a few belongings in the car and drive out through flames. Everything left behind was incinerated. I am 69 years old. A lifetime was gone in minutes.

I was insured, unlike some fire survivors. But insurance did not cover the full value of my home and possessions, land cannot be insured, and treasured personal possessions are priceless. More than three years after the fire, we are still trying to put our lives back together. All survivors of the Labor Day fires have been struggling with trauma, loss, grief, and exhaustion.

I was a party to the lawsuit against Pacific Power, which finally was settled in December 2023. We fire survivors hoped this lawsuit would restore us at least financially.

However, we were shocked when we learned that we will see only a fraction of our settlement payment. We agreed at the beginning to attorney fees of 33%. We did not know then that the IRS will treat our settlement as income and tax us on the entire amount. Even attorneys' fees will be taxed as if we received that amount, then taxed again as income to the attorneys. Because state taxes follow the same rules as federal, Oregon will also tax these amounts. Between attorneys' fees, federal, and state taxes, we will get somewhere between 1/4 and 1/3 of our settlement. Our hope of being made financially whole as a result of the lawsuit was futile.

That the full settlement should be taxed as income is grossly unfair. Everything was taken from us, and now when we are finally compensated for our losses, Uncle Sam and Oregon will take a large share of that. This is an extreme example of government greed.

Thousands of Oregonians devastated by the Labor Day fires of 2020 are affected by this issue. California already passed legislation making wildfire settlement payments state-tax free. Oregon should do the same. A year ago, a similar bill received strong bipartisan support in committee, but never made it to the floor. We fire survivors are exhausted from fighting this battle over and over, year after year.

Please show understanding and kindness to your fellow Oregonians who have already suffered so much, and pass this common-sense and merciful bill.

Thank you for your time and attention.

Nancy Tague