

Submitter: Cheryl and Jerry Schwartz  
On Behalf Of:  
Committee: Senate Committee On Finance and Revenue  
Measure: SB1520

We're writing this testimony asking you to support the passage of SB 1520.

On September 8, 2020, my husband and I lost everything we owned - home, forestland, all our possessions and cherished way of life - in the Labor Day Archie Creek Wildfire.

After 3 ½ years of uncertainty about our future while in litigation with PacificCorp, a settlement has finally been reached.

As members of a decision-making panel about to vote on whether or not to support SB 1520, which exempts wildfire victims from taxation on their settlements, we think it's vital that you have a comprehensive and realistic view of the circumstances we face regarding our settlement, which is supposed to serve as restitution for our catastrophic losses. Below is a list of Taxes and expenses we can expect to pay on the GROSS settlement amount:

- 1) IRS taxes - 37%
- 2) State taxes - 9.9%
- 3) Attorney fees - 33 1/3 %, which, BTW, is no longer tax deductible due to the Tax Cut and Jobs Act of 2018

This leaves us with a Net of less than 20% of our settlement.

These restitution settlements are intended to compensate fire victims for their losses and provide funds for recovery. Taxing restitution as though it's a lottery winning is not only unjust, but it adds insult to our injuries.

My husband and I are well into our senior years. We spent 30 years on our property thoughtfully designing and building a unique home and way of life that would carry us through our Golden years in reasonable comfort, independence and security, only to have it all stolen from us by corporate carelessness. Now that we have finally received some compensation for our losses, we face yet another obstacle to our recovery and re-establishment of stability in our lives – unjust taxation of our restitution settlement.

Netting only 20% of an already 'compromised' negotiated settlement will not only hinder our economic capacity to reconstruct some semblance of our lost way of life, but it will greatly diminish the spirit required to face the challenging roads ahead as we navigate the rebuilding process in these times of exceptionally high inflation.

We respectfully ask that you assist us in our recovery by correcting this injustice through the passing of SB 1520, which would, in turn, enable all wildfire survivors to again become economic contributors to their communities devastated by Wildfires via the recovery/rebuilding processes.

Thank you for your time in listening to our testimony.  
Cheryl and Jerry