

Submitter: Charles Schnautz

On Behalf Of:

Committee: Senate Committee On Finance and Revenue

Measure: SB1520

I heartily urge you to support SB 1520. Not taxing settlement funds will make an enormous difference for the healing of the lives of families who have suffered life changing losses. It will also be a huge boon to the impacted communities as people use these funds to rebuild their homes and their lives.

By not being taxed on their settlement money, fire survivors will have more resources in hand for rebuilding and restoring their homes. They will purchase homes or hire contractors, plumbers, roofers, painters and electricians to build new houses and outbuildings. They will buy furnishings, appliances, kitchenware, tools, lawnmowers and more to replace what they lost. Most if not all of this business will be done with local vendors.

For the most part, that money will get taxed anyway when survivors have this work done and pay locals who have to recognize it as income. If you don't waive the taxes on these settlements, you're effectively taxing it twice and profiting those off who suffered catastrophic losses in many cases. These settlement funds should absolutely be considered non compensatory as no one is getting rich because of it. Rather, they are being made whole for actual damages and losses incurred.