

SB 1205 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

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Meeting Dates: 4/14

WHAT THE MEASURE DOES:

Extends applicability of personal income tax subtraction for amounts received in judgment or settlement of a civil action arising from wildfire to include wildfire declarations occurring in calendar years 2026 and 2027.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In 2024, the Oregon Legislature enacted SB 1520 which created a personal income tax subtraction for any amount received in judgement or settlement of a civil action arising from wildfire. To qualify, the wildfire must be subject of a state of emergency declared by the Governor, occur in an area subject to executive order of the Governor invoking the Emergency Conflagration Act, or be a federally declared disaster located within Oregon or elsewhere. Additionally, SB 1520 created a personal income tax subtraction for legal fees incurred by a plaintiff seeking compensation for losses, expenses, or damages through wildfire-related litigation. The respective subtractions are applicable to losses incurred, amounts received, and legal fees subtracted in tax years beginning on or after January 1, 2018, from qualified wildfires that were declared in years 2018 through 2025. SB 1205 extends the applicability of the wildfire judgement/settlement subtraction (legal fees subtraction not extended) to include wildfires declared and occurring in calendar years 2026 and 2027. Subtraction qualification for wildfires declared and occurring in years 2018 through 2025 is unchanged.