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May 19, 2025

Chair Kropf and Members of the Committee

Oregon House Committee on Climate, Energy, and Environment

Oregon State Legislature

Re: Support for SB 926 and Proposed Amendments to Ensure Tax Relief for Wildfire Survivors

Dear Chair Kropf and Members of the Committee,

After the Fire USA is a nonprofit organization dedicated to supporting wildfire-affected communities across the United States through recovery and resilience efforts. We help these communities connect, convene, and exchange best practices. Our work brings together public officials, private sector partners, nonprofits, and—most critically—friends and neighbors who have lost everything, supporting them as they rebuild stronger, more resilient communities. In the aftermath of the 2020 Labor Day fires, we worked directly with fire survivors throughout Oregon, including some who have come before you to share their devastating stories.

I am writing in support of SB 926 and to emphasize the urgent need for tax relief and compensation addressing the tax burdens placed on Oregon's wildfire survivors. For more than six years, After the Fire USA has been a leading advocate for federal tax relief for individuals impacted by wildfires. At the end of 2024, Congress passed the Federal Disaster Tax Relief Act (the "Act"), which exempts compensation for losses from qualified wildfire disasters from gross income for tax purposes. Before this Act, wildfire survivors were unfairly taxed on recovery funds for homes and property as if they were ordinary income. However, the Act currently sunsets in 2026, with no assurance of extension.

If the federal provision expires, wildfire survivors will once again face ordinary income taxes on compensation for their losses—leaving them with only a fraction of the funds needed to rebuild. Recognizing this risk, Oregon's legislature unanimously passed a 2024 bill providing similar tax relief at the state level by excluding certain payments from state income tax. Unlike the federal law, Oregon's tax relief law thankfully does not include a sunset clause.

19201 SONOMA HWY #224 SONOMA, CA 95476 | www.afterthefireusa.org

After the Fire USA is an initiative of Rebuild Northbay Foundation, a registered nonprofit (501c3 & 501c4). We help communities navigate the Era of Megafires. We advocate and collaborate with public officials (regional, state and federal), private sector, nonprofit community to support community led and designed recovery.

EIN/TAX ID: 82-3266893

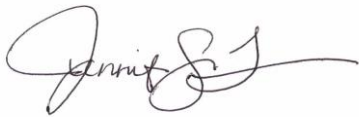
We have reviewed SB 926 and consulted with a subject-matter expert. I understand that the bill is scheduled for a work session in your committee on May 20. I am writing to highlight the critical nature of the tax provisions in Section 6 and to offer specific recommendations to ensure the bill delivers on its intended relief—particularly considering the federal sunset and the current pace of ongoing litigation, which will likely leave around 95% of survivors still awaiting trial beyond January 1, 2026.

As we understand it, the goal of the bill and Section 6 is to encourage PacifiCorp to reach prompt settlements with survivors while federal tax relief remains available. However, as currently written, PacifiCorp could argue that Section 6 applies only to those who receive judgments before January 1, 2026—effectively excluding the vast majority of survivors whose trials have yet to occur.

To ensure the bill fulfills its intended purpose and incentivizes prompt compensation, we respectfully suggest the following revisions:

1. Expand the scope of coverage in Section 5.
2. Strike the limiting language in Section 6.
3. Remove Section 7 entirely.

Thank you for your kind attention to this matter. Passage of SB 926 will convey to fire survivors that they matter, that prompt resolution of their claims is important and that their suffering must come to an end.



Jennifer Gray Thompson
Founder & CEO

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