

HOUSE AMENDMENTS TO HOUSE BILL 4007

By COMMITTEE ON REVENUE

March 4

1 On page 1 of the printed bill, delete lines 4 through 27 and delete page 2 and insert:

2 **“SECTION 1. Sections 2 and 3 of this 2024 Act are added to and made a part of ORS**
3 **chapter 316.**

4 **“SECTION 2. (1) There shall be subtracted from federal taxable income any amount re-**
5 **ceived in judgment or settlement of a civil action arising from a wildfire, as defined in ORS**
6 **477.089, and awarded to a plaintiff.**

7 **“(2) A subtraction under this section is allowed only for resolution of civil actions arising**
8 **from a wildfire that:**

9 **“(a) Is the subject of a state of emergency declared by the Governor;**

10 **“(b) Occurs in an area subject to an executive order of the Governor invoking the**
11 **Emergency Conflagration Act under ORS 476.510 to 476.610; or**

12 **“(c) Is a federally declared disaster, as defined in section 165 of the Internal Revenue**
13 **Code, whether located within Oregon or elsewhere.**

14 **“(3) A subtraction under this section:**

15 **“(a) Is not allowed for any amount described in subsection (1) of this section that is**
16 **taken into account as a deduction or credit on the taxpayer’s federal income tax return for**
17 **any tax year; and**

18 **“(b) Is allowed only to the extent that losses, expenses or other damages compensated**
19 **by the amount of the judgment or settlement are not compensated for by insurance or oth-**
20 **erwise.**

21 **“SECTION 3. (1) As used in this section:**

22 **“(a) ‘Wildfire’ means a wildfire as defined in ORS 477.089, that:**

23 **“(A) Is the subject of a state of emergency declared by the Governor;**

24 **“(B) Occurs in an area subject to an executive order of the Governor invoking the**
25 **Emergency Conflagration Act under ORS 476.510 to 476.610; or**

26 **“(C) Is a federally declared disaster, as defined in section 165 of the Internal Revenue**
27 **Code, whether located within Oregon or elsewhere.**

28 **“(b) ‘Wildfire-related litigation’ means litigation through which a plaintiff seeks com-**
29 **penensation for losses, expenses or damages found to be caused by a wildfire.**

30 **“(2) There may be subtracted from federal taxable income the amount:**

31 **“(a) That would be allowable under sections 63(d) and 67 of the Internal Revenue Code**
32 **as amended and in effect on December 21, 2017, and as applicable to tax years beginning be-**
33 **fore January 1, 2018, as a deduction for legal fees incurred by a plaintiff in wildfire-related**
34 **litigation; and**

35 **“(b) As applicable to the tax year of the taxpayer.**

1 “(3) A subtraction under this section is allowed regardless of whether the taxpayer elects
2 to deduct itemized deductions on the taxpayer’s federal or state return.

3 “SECTION 4. (1) Section 2 of this 2024 Act applies to declarations and executive orders
4 issued on or after January 1, 2018, and before January 1, 2026, and, notwithstanding ORS
5 315.037, to amounts received in all tax years beginning on or after January 1, 2018.

6 “(2) Section 3 of this 2024 Act applies to:

7 “(a) Declarations and executive orders issued on or after January 1, 2018, and before
8 January 1, 2026; and

9 “(b) Notwithstanding ORS 315.037, losses incurred and legal fees paid or incurred in all
10 tax years beginning on or after January 1, 2018.

11 “SECTION 5. (1) Any taxpayer who seeks refunds due to exemption of amounts from
12 taxation as provided in section 2 or 3 of this 2024 Act, as applicable to tax years beginning
13 on or after January 1, 2018, and before January 1, 2021, shall file an amended return for the
14 applicable tax year.

15 “(2) Notwithstanding ORS 314.415 (2), a taxpayer may file a claim for a refund described
16 in subsection (1) of this section at any time prior to May 15, 2025.

17 “(3) A refund described in this section does not bear interest under ORS 305.220.

18 “SECTION 6. This 2024 Act takes effect on the 91st day after the date on which the 2024
19 regular session of the Eighty-second Legislative Assembly adjourns sine die.”
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