

118TH CONGRESS
2D SESSION

S. _____

To provide tax relief with respect to certain wildfire relief payments.

IN THE SENATE OF THE UNITED STATES

Mr. PADILLA introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To provide tax relief with respect to certain wildfire relief payments.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Protect Innocent Vic-
5 tims Of Taxation After Fire Act”.

6 **SEC. 2. EXCLUSION FROM GROSS INCOME FOR COMPENSA-**
7 **TION FOR LOSSES OR DAMAGES RESULTING**
8 **FROM CERTAIN WILDFIRES.**

9 (a) IN GENERAL.—For purposes of the Internal Rev-
10 enue Code of 1986, gross income shall not include any

1 amount received by an individual as a qualified wildfire
2 relief payment.

3 (b) QUALIFIED WILDFIRE RELIEF PAYMENT.—For
4 purposes of this section—

5 (1) IN GENERAL.—The term “qualified wildfire
6 relief payment” means any amount received by or on
7 behalf of an individual as compensation for losses,
8 expenses, or damages (including compensation for
9 additional living expenses, lost wages (other than
10 compensation for lost wages paid by the employer
11 which would have otherwise paid such wages), per-
12 sonal injury, death, or emotional distress) incurred
13 as a result of a qualified wildfire disaster, but only
14 to the extent the losses, expenses, or damages com-
15 pensated by such payment are not compensated for
16 by insurance or otherwise.

17 (2) QUALIFIED WILDFIRE DISASTER.—The
18 term “qualified wildfire disaster” means any feder-
19 ally declared disaster (as defined in section
20 165(i)(5)(A) of the Internal Revenue Code of 1986)
21 declared, after December 31, 2014, as a result of
22 any forest or range fire.

23 (c) DENIAL OF DOUBLE BENEFIT.—Notwith-
24 standing any other provision of the Internal Revenue Code
25 of 1986—

1 (1) no deduction or credit shall be allowed (to
2 the person for whose benefit a qualified wildfire re-
3 lief payment is made) for, or by reason of, any ex-
4 penditure to the extent of the amount excluded
5 under this section with respect to such expenditure,
6 and

7 (2) no increase in the basis or adjusted basis of
8 any property shall result from any amount excluded
9 under this subsection with respect to such property.

10 (d) LIMITATION ON APPLICATION.—This section
11 shall only apply to qualified wildfire relief payments re-
12 ceived by the individual during taxable years beginning
13 after December 31, 2019, and before January 1, 2026.