

118TH CONGRESS  
2D SESSION

# S. 3711

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

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IN THE SENATE OF THE UNITED STATES

JANUARY 31, 2024

Mr. PADILLA (for himself, Mr. CASSIDY, Mr. TESTER, and Ms. LUMMIS) introduced the following bill; which was read twice and referred to the Committee on Finance

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## 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.

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