



August 14, 2024

The Honorable Chuck Schumer  
322 Hart Senate Office Building  
Washington, DC 20510

Subject: Support of Disaster Tax Relief, Including Tax Exemption of Wildfire Settlement Payments

Dear Majority Leader Schumer:

I write to you today as the Trustee of the Fire Victim Trust (FVT) in California. The FVT was established in July 2020 as a result of the PG&E Bankruptcy settlement. The FVT evaluates, administers, processes, and resolves eligible claims arising from the 2015 Butte Fire, 2017 North Bay Fires, and the 2018 Camp Fire.

As of August 1, 2024, the FVT has paid over \$12.6 billion to claimants and provided determination notices to 100% of claims submitted. I am writing in support of H.R. 7024, *The Tax Relief for American Families and Workers Act of 2024*, which amends the IRS Code of 1986 to exclude qualified wildfire relief payments from gross income. The fact that families and businesses have to pay taxes on these claims, as well as attorney fees, adds insult to injury. By exempting qualified disaster areas from the IRS Code, you are keeping money in the pockets of survivors from various disasters throughout the country who are struggling to rebuild their lives, homes, and businesses.

I believe that the monetary compensation received after losing one's home or business should not be regarded as income in the same way that wages or benefits are. If it is, a series of unintended consequences might occur and perpetuate more barriers and burdens with the recovery process, making individuals who have lost everything come up against even more potential loss of income through increased taxes.

The provisions to help preserve settlement payments for wildfire victims have been included in a number of other bills including: H.R. 7024, *The Tax Relief for American Families and Workers Act of 2024*; H.R. 5863, *The Federal Disaster Tax Relief Act*; and H.R. 4970, *Protect Innocent Victims Of Taxation After Fire Act*. The FVT supports the provisions in these bills to allow settlement recipients to retroactively receive a refund by filing an amended return or claiming the change during the next tax year.

Senator Schumer, please help fire victims who continue to recover from devastating fires receive the full benefits of settlements by ensuring they are not considered a taxable event. This effort will help people around the country rebuild their lives and move forward after losing everything in their lives.

If you have any questions, please contact Darby Kernan at 916-284-9872 or [dkernan@mosaicso.com](mailto:dkernan@mosaicso.com). Thank you again for your time and consideration.

Sincerely,

A handwritten signature in black ink that reads "Cathy Yanni".

Cathy Yanni  
Trustee