



May 15, 2023

State Senator Mike McGuire, Majority Leader
1021 O Street, Suite 8610
Sacramento, CA 95814

RE: SB 370 (McGuire) Personal Income Tax Law: Corporation Tax Law: wildfires: exclusions (As Amended 3/28/23)

Dear Senator McGuire:

On behalf of the City of Santa Rosa, I write to express our support for your legislation Senate Bill 370, which would eliminate state taxes on Kincade Fire PG&E settlements. As you may recall, the 2019 Kincade Fire was caused by PG&E, destroyed 374 structures, and burned over 77,000 acres in Sonoma County.

NATALIE ROGERS
Mayor

DIANNA MACDONALD
Vice Mayor

EDDIE ALVAREZ
VICTORIA FLEMING
JEFF OKREPKIE
CHRIS ROGERS
MARK STAPP

Currently, the state and federal tax laws consider funds received for Emotional Distress (aka Pain & Suffering) and other categories of restitution as taxable income. To rebuild their lives, fire survivors need 100% of their claims.

As a result, fire victims in our community are now facing tax liability years after the fire. This taxation will cause many fire victims to be unable to rebuild and recover. Additionally, considering claims as income and taxable, has the unfortunate effect of pushing claimants into higher tax brackets and this can put public assistance at risk for what is a one-time event.

Thank you for your leadership on this matter. The City of Santa Rosa is pleased to support SB 370. Should you have any questions about our position, please contact our legislative advocate, Alyssa Silhi, with the Renne Public Policy Group, at (916) 505-4978.

Sincerely,

Natalie Rogers, Mayor