

7.31.24 Wyden-Smith Tax Bill Floor Speech

Madam President,

I too rise today in support of every parent across the country working multiple jobs to help put food on the table, parents who are now buying school supplies and clothes as their kids are preparing to go back to school, parents who are working hard just to afford basic child care.

I rise in support of every American — including many in my home state of California — who are struggling to find housing that they can afford.

And I rise today for every constituent of mine wondering why Senate Republicans continue to block a bill that passed with overwhelming bipartisan support in the House of Representatives.

Because we know that the policies included in this measure are indeed bipartisan. In the bipartisan Wyden-Smith tax proposal, these measures are not controversial.

We know they're actually effective, Madam President, because we've seen them work.

In 2021, we saw an expanded Child Tax Credit cut the rate of child poverty in our nation in half, to historic lows.

We also saw a 12.5 percent increase in the Low-Income Housing Tax Credit Allocation help finance the construction of

affordable housing, affordable housing that communities across California and across the country are so desperately needing.

So let's just kind of simplify this conversation here. We know these policies can work. We know these policies have worked. We know that letting them expire has been detrimental to so many parents, so many children, and so many communities across the country.

And we have today an opportunity to do right by them once again.

Madam President, this past week, the Park Fire and other wildfires continuing to burn in California have burned hundreds of thousands of acres. But in addition to that, they have reawakened painful memories of some of the worst wildfires in California history, many just in the last decade. So I also want to spend a moment to highlight what the disaster assistance provisions of this bill would mean for many, many families in my state.

Now, earlier this month, the Los Angeles Times told the story of Ria Abernathy — a 55-year-old woman living in Butte County in Northern California.

Six years ago, Ria experienced devastation that most Americans couldn't even dream of — but to which many Californians have grown all too familiar.

On one morning in November of 2018, Ria woke up to see black smoke engulfing the land around her. Flames moving so fast that

within hours, the entire town of Paradise, California, would be nothing but embers.

Fortunately, Ria acted quickly, and she was able to flee safely.

But in order to save her life, she had to sacrifice all of her possessions.

In what would become the deadliest wildfire in California history, the Camp Fire went on to burn everything that Ria owned, and it leveled the town around her.

And it claimed 85 lives — all because of a failed piece of equipment from a transmission tower that ignited the fire.

So for eight months, Ria was forced to find shelter in a trailer alongside others, along a lot of her neighbors, displaced by the same fire, living in the parking lot of a local church as they began the long emotional path to rebuilding.

And while she was eventually awarded an \$80,000 legal settlement, her troubles were far from over.

It turned out that Ria would owe taxes on the settlement that she recovered.

And that year, Ria says, as she shared in the Times, “I lost my whole history . . . and it’s not coming back.”

But as devastating as Ria’s story is, she’s not alone.

Over 70,000 Californians have been impacted by the destruction of the Butte Fire, the North Bay Fire, and the Camp Fire.

Now, when a fire victim is wading through the ashes of their former home, and thinking about how to rebuild, not just their homes, but their lives, the last thing that wildfire victims should have to worry about is how they're going to pay taxes on any settlement they receive.

Madam President, disaster settlement funds are not income. Disaster settlement funds are not assets. It's compensation for what they've lost. And insufficient most of the time at that. But disaster settlement funds are also meant to be an opportunity to begin to rebuild your life, an opportunity that should not be diminished because our government tax codes are outdated.

So I was proud to see that the Wyden-Smith tax package includes my bill, the *Protect Innocent Victims of Taxation After Fire Act*.

It would make sure the people who have suffered from a heartbreaking wildfire can receive full compensation for their losses, without the fear that their settlements will be subject to taxes.

And it's not just for my constituents in California looking to rebuild — this bill would make sure that all recent and future wildfire victims throughout the country have access to their full settlements.

It's a commonsense, bipartisan solution to protect Americans at arguably the most difficult point in their lives.

And for that reason, along with the historic provisions included in the package to make life more affordable for working families, I urge my Republican colleagues to join me in supporting this bill.

Thank you, Madam President.

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