

TO: Honorable Jerry McNerney, Chair
Senate Revenue and Taxation Committee
Members, Senate Revenue and Taxation Committee

FROM: Norwood Associates, LLC

DATE: April 7, 2025

RE: SB 268 (Choi)--SUPPORT

On behalf of our client, Independent Insurance Agents & Brokers of California (IIABCal) we are writing to offer our Support for the above referenced bill.

The recent fires in Los Angeles County demonstrate the urgent need for this legislation. With economic losses projected to exceed \$250 billion, disaster victims cannot afford to lose a significant portion of their settlement funds to income taxes. Every dollar counts when rebuilding lives from scratch.

SB 268 provides a straightforward but effective remedy by excluding emergency settlement payments from gross income for taxation. As a result, sufferers could keep all of their settlement money for rehabilitation and reconstruction. Additionally, it would remove the need for disaster-specific tax laws following each incident, giving individuals in need of financial assistance instant access to it.

Moreover, this bill would create equity across different types of emergencies and disaster scenarios. It would support California's overall recovery efforts by enabling residents to rebuild faster and more effectively. The inclusion of an urgency clause ensures that this relief can be applied immediately, helping current disaster victims without unnecessary delay.

For the above stated reason, IIABCal would urge your "AYE" vote on SB 268. Thank you

Thank you.

cc: Karan Brar, Office of Senator Steven Choi
Colin Grinnell, Chief Consultant, Senate Revenue and Taxation Committee
Haley Summers, Consultant, Senate Revenue and Taxation Committee
Brady Borcharding, Deputy Legislative Secretary, Office of the Governor