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## SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair  
2025 - 2026 Regular

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<b>Bill No:</b>	AB 159	<b>Hearing Date:</b>	September 10, 2025
<b>Author:</b>	Committee on Budget		
<b>Version:</b>	September 8, 2025 As amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Elisa Wynne		

**Subject:** Revenue and Taxation

**Summary:** This bill is a revenue and taxation trailer bill for the 2025-26 Budget. This bill contains statutory changes necessary to facilitate implementation of the Budget Act of 2025.

**Proposed Law:** This bill contains the following statutory changes necessary to implement the 2025 Budget Act, specifically, this bill:

- 1) Clarifies that definitions for “qualified amount” and “qualified taxpayer” have a connection to a qualified wildfire disaster.
- 2) Defines “qualified wildfire disaster” to mean any disaster arising from a wildfire for which either the Governor has declared a state of emergency or the President of the United States has declared an emergency or major disaster as defined under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. Sec. 5121 et seq).
- 3) Clarifies the definition of settlement entity to mean an entity making settlement payment of a qualified amount to a qualified taxpayer.
- 4) Appropriates \$10,000 from the General Fund to the Franchise Tax Board to administer tax exemptions related to the qualified wildfire disaster settlements.

**Fiscal Effect:** The provisions of this bill related to the Wildfire Settlements exclusion are estimated to reduce revenues by \$28 million in 2024-25, by \$15 million in 2025-26, by \$11 million in 2026-27, by \$4.4 million in 2027-28, and by \$1.3 million in 2028-29. This bill makes no changes to these estimates included in SB 132 (Committee on Budget and Fiscal Review), Chapter 17, Statutes of 2025.

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