

TO: Honorable Mike A. Gipson, Chair  
Assembly Revenue & Taxation Committee  
Members, Assembly Revenue & Taxation Committee

FROM: Norwood Associates, LLC

DATE: April 3, 2025

RE: AB 376 (Tangipa)--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 bill's provision to exclude from gross income any amount received under homeowner's or renter's insurance policies for damages or expenses resulting from fires in Governor-proclaimed emergency areas represents a compassionate and practical approach to tax policy. California residents who have suffered devastating losses from wildfires should not face additional financial burden through taxation of the insurance proceeds intended to help them recover and rebuild their lives.

When disaster strikes and homes are damaged or destroyed, insurance proceeds are not windfalls but rather compensation for catastrophic losses. These funds are desperately needed to rebuild homes, replace essential belongings, and cover temporary housing expenses. Taxing these proceeds effectively diminishes the resources available for recovery and places an unfair burden on those already experiencing significant hardship and trauma. The five-year implementation period from January 2025 through December 2029 provides a meaningful timeframe for this relief while allowing for assessment of its effectiveness and fiscal impact. We appreciate that the bill includes specific goals, detailed performance indicators, and data collection requirements, ensuring transparency and accountability in this tax expenditure.

Climate change has unfortunately made wildfires more frequent and more severe in California. This legislation acknowledges this reality and offers tangible assistance to those impacted by these increasingly common disasters. By excluding these insurance proceeds from taxation, we can help ensure that affected residents have access to the full financial resources they need to recover. We urge your support for this important legislation that will provide critical tax relief to Californians during some of the most challenging moments of their lives. This measure represents sound fiscal policy that aligns with our values of compassion and community support during times of crisis.

For the above stated reason, IIABCal would urge your "AYE" vote on AB 376. Thank you

Thank you.

cc: Belle Castro, Office of Assemblymember David Tangipa  
David Ruff, Chief Consultant, Assembly Revenue & Taxation Committee  
Harrison Bowlby, Senior Consultant, Assembly Revenue & Taxation Committee  
Wesley Whitaker, Senior Consultant, Assembly Revenue & Taxation Committee  
Julia King, Consultant, Assembly Republican Caucus  
Brady Borcharding, Deputy Legislative Secretary, Office of the Governor