

119TH CONGRESS  
1ST SESSION

# H. R. 4181

To amend the Internal Revenue Code of 1986 to provide incentives for wildfire prevention.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 26, 2025

Mr. ISSA (for himself, Mr. BAUMGARTNER, Mr. GOSAR, Mr. NEWHOUSE, and Mr. LAMALFA) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide incentives for wildfire prevention.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Wildfire Infrastructure  
5       and Landowner Tax Relief Act of 2025” or the “WILTR  
6       Act of 2025”.

1 **SEC. 2. EXCLUSION OF GROSS INCOME RELATED TO HAZ-**  
 2 **ARDOUS FUEL REDUCTION ACTIVITIES.**

3 (a) IN GENERAL.—Section 139 of the Internal Rev-  
 4 enue Code of 1986 is amended by adding at the end the  
 5 following new subsection:

6 “(i) HAZARDOUS FUEL REDUCTION ACTIVITIES ON  
 7 AND IMPROVEMENTS TO REAL PROPERTY.—

8 “(1) IN GENERAL.—Gross income shall not in-  
 9 clude any grant or award received by a taxpayer or  
 10 services provided to the taxpayer for the purpose of  
 11 conducting hazardous fuel reduction activities on or  
 12 hazardous fuel reduction improvements to the real  
 13 property of such taxpayer.

14 “(2) DEFINITIONS.—For purposes of this sec-  
 15 tion—

16 “(A) HAZARDOUS FUEL REDUCTION AC-  
 17 TIVITY.—The term ‘hazardous fuel reduction  
 18 activity’ means an activity the purpose of which  
 19 is wildfire prevention through—

20 “(i) the installation of—

21 “(I) a natural or manmade  
 22 change in fuel characteristics that af-  
 23 fects fire behavior such that a fire can  
 24 be more readily controlled (commonly  
 25 known as a ‘fuel break’), or

1 “(II) a natural or constructed  
2 barrier used to stop or check a fire or  
3 to provide a control line from which to  
4 work to stop or check a fire (com-  
5 monly known as a ‘firebreak’), or

6 “(ii) reduction of hazardous fuels, in-  
7 cluding—

8 “(I) prescribed fire,

9 “(II) wildland fire use, and

10 “(III) the use of mechanical  
11 methods such as crushing, tractor and  
12 hand piling, thinning, pruning, cut-  
13 ting, or otherwise removing hazardous  
14 fuels.

15 “(B) HAZARDOUS FUEL REDUCTION IM-  
16 PROVEMENT.—The term ‘hazardous fuel reduc-  
17 tion improvement’ means additions or alter-  
18 ations to real property the purpose of which is  
19 to enable firefighting preparation, training, ac-  
20 cess, or fire suppression or emergency evacu-  
21 ation relating to fire, including—

22 “(i) the installation of firefighting  
23 equipment or infrastructure,

24 “(ii) the maintenance, expansion, or  
25 alteration of trails or roads for the pur-

1 poses of firefighting access or fire-related  
 2 evacuation, and

3 “(iii) the facilitation of firefighter  
 4 training on such real property.

5 “(C) HAZARDOUS FUEL.—The term ‘haz-  
 6 ardous fuel’ means any vegetative material that  
 7 is susceptible to burning, including—

8 “(i) trees,

9 “(ii) grasses,

10 “(iii) shrubs,

11 “(iv) sagebrush,

12 “(v) chaparral, and

13 “(vi) any dead vegetative material on  
 14 or near the ground.”.

15 (b) EFFECTIVE DATE.—The amendment made by  
 16 this section shall apply to amounts received after the date  
 17 of the enactment of this Act.

18 **SEC. 3. TREATMENT OF EXPENDITURES IN CONNECTION**  
 19 **WITH HAZARDOUS FUEL REDUCTION ACTIVI-**  
 20 **TIES OR IMPROVEMENTS.**

21 (a) IN GENERAL.—Part VI of subchapter B of chap-  
 22 ter 1 of the Internal Revenue Code of 1986 is amended  
 23 by inserting after section 199A the following new section:

1 **“SEC. 199B. DEDUCTION FOR HAZARDOUS FUEL REDUC-**  
2 **TION ACTIVITIES OR IMPROVEMENTS.**

3 “(a) IN GENERAL.—There shall be allowed as a de-  
4 duction an amount equal to the amounts paid or incurred  
5 by the taxpayer for qualified hazardous fuel reduction ac-  
6 tivities during the taxable year.

7 “(b) QUALIFIED HAZARDOUS FUEL REDUCTION AC-  
8 TIVITIES.—For purposes of this section, the term ‘quali-  
9 fied hazardous fuel reduction activities’ means improve-  
10 ments to the real property of the taxpayer which—

11 “(1) is a hazardous fuel reduction activity or  
12 hazardous fuel reduction improvement described in  
13 section 139(i)(2), and

14 “(2) a State, local, Tribal, or Federal fire man-  
15 agement agency certifies will reduce hazardous fuels  
16 or enable firefighting preparation, training, access,  
17 or fire suppression or emergency evacuation relating  
18 to fire.

19 “(c) DENIAL OF DOUBLE BENEFIT.—No deduction  
20 shall be allowed under subsection (a) with respect to any  
21 expenditure to the extent that an amount is excludable  
22 under section 139(i) with respect to such expenditure.”.

23 (b) DEDUCTION TAKEN INTO ACCOUNT IN DETER-  
24 MINING ADJUSTED GROSS INCOME.—Section 62(a) of  
25 such Code is amended by inserting after paragraph (21)  
26 the following new paragraph:

(1) Section 263(a)(1) of such Code is amended by striking “or” at the end of subparagraph (J), by striking the period at the end of subparagraph (K) and inserting “, or”, and by adding at the end the following new subparagraph:

(2) The table of sections for part VI of subchapter B of chapter 1 of such Code is amended by inserting after the item relating to section 199A the following new item:

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act.

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