



March 22, 2021

Dear Chair Nathanson and Members of the House Revenue Committee –

On behalf of America's Service Commissions (ASC), I write in support of HB 2737 – legislation to exempt the AmeriCorps education award from state income taxes when utilized by AmeriCorps alumni living in Oregon. ASC serves as the national association for the 52 state and territorial service commissions, including Oregon Volunteers, the state service commission in Oregon.

Each year, hundreds of AmeriCorps members in Oregon dedicate a year of their lives to addressing community needs. Members receive a modest living allowance and at the completion of their term of service, an education award that can be used for future higher education expenses. Under current Oregon law, the education award is taxed as income when alumni utilize the award – in many cases, this puts an unexpected and unfair tax burden on individuals who have provided so much to the state.

HB 2737 would follow in the footsteps of other states that have exempted the AmeriCorps education award from state income taxes, including Minnesota (2007), Iowa (2009), and Nebraska (2020). These states have passed similar legislation to honor the service of AmeriCorps members in their states, but also to increase the likelihood that the education award will be spent for higher education expenses in their respective states. In addition, several other state legislatures are considering similar legislation during their current sessions.

Passage of HB 2737 would be particularly timely. Due to \$1 billion included in the American Rescue Plan Act recently signed into law by President Biden, we anticipate a significant expansion of national service opportunities in the year ahead – passage of this legislation would incentivize service in Oregon for many prospective AmeriCorps members.

As a native Oregonian and current resident of Oregon, I would be proud to see the state recognize the important service that AmeriCorps members provide each year by passing HB 2737. I am happy to provide any additional information in support of this legislation.

In service,

A handwritten signature in blue ink that reads "Kaira B. Esgate".

Kaira Esgate
Chief Executive Officer