

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
81st Oregon Legislative Assembly
2022 Regular Session
Legislative Revenue Office

Bill Number:	HB 4117
Revenue Area:	Personal Income Tax
Economist:	Kyle Easton
Date:	2/23/2022

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Establishes a grant program administered by the Department of Human Services (DHS) to fund culturally specific and responsive organizations, tribal governments and under-resourced rural community service organizations that help eligible low-income persons to understand and navigate the tax system. Appropriates \$4,000,000 to DHS for this purpose.

Revenue Impact: No direct revenue impact, see impact explanation.

Impact Explanation:

Measure makes no changes to established taxes. Rather, measure provides funding to support programs designed to help eligible low-income persons to understand and navigate the tax system. Social assistance refundable tax credits such as the earned income tax credit and the working family household and dependent care credit can offset existing tax liability and/or provide a direct payment through the tax system to qualifying taxpayers. These tax credits result in a net increase in after-tax income for qualified taxpayers. If tax preparation organizations supported by grant funding contained in measure are able to increase overall use of such social assistance tax credits and/or claiming of tax refunds, then after tax income for such qualified taxpayers could be increased. Increasing qualified claimant of tax credits and/or tax refunds would have a negative impact on General Fund Revenue. However, such loss in revenue could be offset by increased claimant of other federal tax benefits which would bring additional after-tax income into Oregon's economy.

Creates, Extends, or Expands Tax Expenditure: Yes No