

## HB 2991 -2 STAFF MEASURE SUMMARY

### House Committee On Early Childhood and Human Services

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**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 2/20, 4/1

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#### WHAT THE MEASURE DOES:

The measure appropriates \$14 million from the General Fund to the Department of Human Services (DHS) for a grant program to provide funding to organizations that provide education about federal earned income tax credits and other tax benefits to low-income individuals and help low-income individuals file income tax returns and navigate tax systems. The measure declares an emergency and takes effect July 1, 2025.

*REVENUE: May have revenue impact, but no statement yet issued.*

*FISCAL: May have fiscal impact, but no statement yet issued.*

#### ISSUES DISCUSSED:

- Existing tax preparation programs.
- Locations and staffing availability for existing tax preparation programs.
- Earned Income Tax Credit.
- Access to tax preparation services.
- Reporting requirements for tax preparation grant program.
- Methods for taxpayers to access information about the tax preparation program.

#### EFFECT OF AMENDMENT:

-2 The amendment decreases the appropriation to the Department of Human Services from \$14 million to \$5 million General Fund.

*REVENUE: May have revenue impact, but no statement yet issued.*

*FISCAL: May have fiscal impact, but no statement yet issued.*

#### BACKGROUND:

In 2022, the Legislative Assembly passed [House Bill 4117](#), which appropriated \$4 million to the Oregon Department of Human Services (DHS) to provide grants to culturally specific organizations, tribal governments, and under-resourced rural community service organizations that assisted low-income households in filing tax returns. As a result of the bill, DHS established the Tax Infrastructure Grant Program. [According to DHS](#), the objective of the program is to provide free income tax services and education about income tax credits and other tax benefits to low-income households.

According to a [report](#) from the Legislative Revenue Office, most of the grant funding supports tax preparation organizations associated with the Internal Revenue Service's Volunteer Income Tax Assistance (VITA) sites. About 10,000 personal income tax returns were filed from grant supported organizations in 2023, increasing to about 12,600 returns for the spring 2024 tax filing season. The DHS Tax Infrastructure Program 2024 [report](#) provides a detailed overview of the program, including information on taxpayers who participated in the program, the percentage of returns prepared by program grantees that included the Earned Income Tax Credit, and other program details.