

**HB 2737 STAFF MEASURE SUMMARY**

**Joint Committee On Tax Expenditures**

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**Prepared By:** Kyle Easton, Economist

**Meeting Dates:** 6/10, 6/11

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**WHAT THE MEASURE DOES:**

Creates personal income tax subtraction from federal taxable income for amounts received as AmeriCorps national service educational awards. Applies to tax years beginning on or after January 1, 2021.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

After successfully completing an AmeriCorps term of service and enrolling in the National Service Trust, individuals are eligible to receive the Segal AmeriCorps Education Award. The award can be used to repay qualified student loans and to pay current educational expenses at eligible institutions of higher education and training programs. The AmeriCorps education award is considered taxable income in the year in which it is used.

Measure allows taxpayers receiving an AmeriCorps national service educational award a personal income tax subtraction equal to the amount of the education award received by the taxpayer if such award amount is included in the taxpayer's federal gross income. The Oregon subtraction is applicable for tax years 2021 through 2026.