

HB 2596 STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 3/22

WHAT THE MEASURE DOES:

Creates personal income tax subtraction from taxable income for amounts received as grants related to preventing wildfire. Disallows subtraction if such grant amount is not included in taxpayer's federal gross income or is deducted on the taxpayer's federal income tax return. Applies to tax years beginning on or after January 1, 2024, and before January 1, 2030. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

While measure does not specifically define "grants related to preventing wildfire", recent Oregon legislation provides an example of such grants that would potentially qualify for the income tax subtraction proposed by the measure. Senate bill 762 (2021), directed the Oregon Department of Forestry to establish a competitively awarded grant program to support small forestland owners in reducing wildfire risk. The Small Forestland Grant Program (SFGP) offered two funding opportunities: the Small Forestland Grant and the Firewise Community Grant. Both opportunities require grant dollars to be spent reducing the risk of high severity wildfire through the reduction of hazardous fuel on small forestland owner properties. SB 762 appropriated \$5 million in General Fund dollars for purposes of funding the SFGP.