

HB 3795 A -A3 STAFF MEASURE SUMMARY

Senate Committee On Human Services

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Meeting Dates: 4/29, 5/15, 5/20, 5/22

WHAT THE MEASURE DOES:

The measure requires the Department of Human Services (DHS) to submit an annual report to the Legislative Assembly on the grant program for organizations that provide low-income individuals with education on tax benefits and assistance with navigating the tax system.

REVENUE: No revenue impact

FISCAL: Has minimal fiscal impact

HOUSE VOTE: Ayes, 44; Nays, 11; Excused, 5

ISSUES DISCUSSED:

- Background of tax preparation program and availability of report
- Population served by tax assistance program and connection with Direct File system
- Purpose of enacting reporting requirement in statute
- Background of Critical Incident Review Team (CIRT) process and Karly's Law

EFFECT OF AMENDMENT:

-A3 The amendment clarifies the scope of a critical incident review team to specify that the team may investigate the death of a child if that child, the child's sibling, or other child living in the household was the subject of a report of suspected abuse or neglect made to the Department of Human Services or law enforcement within the previous 12 months.

REVENUE: No revenue impact

FISCAL: Has minimal fiscal impact

BACKGROUND:

In 2022, the Legislative Assembly passed [House Bill 4117](#), which established the Tax Infrastructure Grant Program and appropriated \$4 million to the Oregon Department of Human Services (ODHS) for the remainder of that biennium 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. According to ODHS administrative rules, 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 ([OAR 461-194-0000](#)).

According to a report from the Legislative Revenue Office (LRO), most of the grant funding supports tax preparation organizations associated with the [Internal Revenue Service's Volunteer Income Tax Assistance \(VITA\)](#) sites ([LRO 2024, 17](#)). 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. Approximately 17% of those returns claimed the Earned Income Tax Credit (EITC), and about 15% of the taxpayers who filed through grant-supported organizations were identified as new or lapsed filers. The ODHS Tax Infrastructure Program report for 2024 provides an overview of the program, including information on taxpayers who participated in the program, the percentage of returns prepared by program grantees that included the EITC, and other program details ([ODHS 2024](#)).