

HB 2991 A STAFF MEASURE SUMMARY

House Committee On Early Childhood and Human Services

Action Date: 04/03/25

Action: Do pass with amendments and be referred to Ways and Means by prior reference.
(Printed A-Eng.)

Vote: 6-1-2-0

Yeas: 6 - Hartman, Javadi, Nguyen H, Nosse, Ruiz, Walters

Nays: 1 - McIntire

Exc: 2 - Elmer, Scharf

Fiscal: Fiscal impact issued

Revenue: No revenue impact

Prepared By: Taylor Bickel, LPRO Analyst

Meeting Dates: 2/20, 4/3

WHAT THE MEASURE DOES:

The measure appropriates \$5 million from the General Fund to the Department of Human Services (DHS) for the grant program for organizations that provide low-income individuals with education about tax benefits and assistance in filing tax returns and navigating the tax system. The measure declares an emergency and takes effect July 1, 2025.

ISSUES DISCUSSED:

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

EFFECT OF AMENDMENT:

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

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.