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MEASURE: SB 349
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Senate Finance and Revenue 76th Session
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SUBMITTED BY: DARLENE HUNTRESS

Testimony of Darlene Huntress, Oregon Action
Finance and Revenue Committee
SB 349 Public Hearing
March 11, 2011

My name is Darlene Huntress. I am the statewide political organizer for Oregon Action, and I am here today to voice our strong support for Senate Bill 349.

Oregon Action is a statewide social, racial and economic justice advocacy organization that serves primarily low- and moderate-income families here in Oregon. These are the working Oregonians who were the first to feel the crushing impact of the great recession, and they will, without question, be the last to recover from it. The Earned Income Tax Credit makes a real difference in their lives, and that is why we believe passing SB 349 is the right thing to do.

It should be enough to have a strong work ethic. Working hard should be enough to open doors and bring opportunity. But many working families in Oregon are struggling every single day to make ends meet. We should not accept, ever, that any Oregonian family with a full-time worker should have to live in poverty, but these families are either living in poverty or teetering dangerously close to that line. Many jobs simply do not pay enough to provide families with a minimally decent standard of living. Without additional support, a minimum-wage worker with a family of three will not be able to lift themselves over the poverty line. And so government, at all levels, should strengthen work incentives by supplementing the income of low-wage earners who have families. The Earned Income Tax Credit is the single most effective mechanism for providing that support—public policy that encourages work, most especially for the working poor.

A state EITC is the most targeted way to improve the tax system for working families with children. SB 349 calls for an increase in Oregon's tax credit from its current 6 percent of the federal credit to 18 percent. Its enactment would:

- Cut taxes for one in seven Oregon households, targeting help to low-income working families with children.
- When fully implemented, it would boost the average EITC household's earnings by about \$215 a year. For a family of four at the poverty line (with income of about \$22,000) it would mean about \$587 extra each year.
- It would benefit over 220,000 households from all corners of Oregon.
- Inject state tax dollars into communities throughout Oregon. EITC dollars are spent quickly and locally.

I do not envy the difficult task you all have in front of you in this revenue-challenging session. I know that hard decisions must be made and I trust that you will make them all in the most compassionate, least-harmful ways that you can. But if the possibility exists to expand or extend existing tax credits or deductions, or to create new ones, I urge you to make sure that improving the Earned Income Tax Credit take precedence over any other. Senate Bill 349 must be at the top of any tax expenditure priority list.

Thank you for your time.