

OREGONIANS FOR  
**WORKING  
FAMILIES**

MEASURE: SB 349  
EXHIBIT: D  
Senate Finance and Revenue 76<sup>th</sup> Session  
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## **SB 349 Helps Working Families Get Ahead: Should be Legislature's Top Tax Expenditure Priority**

A strong work ethic is rightly among the most cherished of American values. In an ideal world, work alone would open the doors to opportunity. That's not the case, unfortunately, for many low- and moderate-income working families in Oregon struggling to make ends meet. But Oregon can make work more rewarding for low-income families and put dollars into local economies throughout the state by improving its Earned Income Tax Credit (EITC).

In the revenue-challenged 2011 session, improving the EITC should take precedence over any other effort to expand or extend an existing, or create a new, tax credit or deduction. That's why Senate Bill 349 must be at the top of any tax expenditure priority list.

### **The problem: Taxes hit low-income, working families hardest**

Oregon is in the minority of states that collects income tax from working families living below the poverty line. On top of that, other taxes and fees in Oregon's revenue system can hit low-income families hardest. For example, the January 1, 2011, gas tax increase, along with increased vehicle fees already in effect, takes a bigger bite out of the pocketbooks of low- and moderate-income working households compared to better-off households.

### **The policy solution: Improve the state's Earned Income Tax Credit, First**

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, 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.
- 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.

SB 349 must be at the top of the priority list. The legislature should act on it first if it is going to extend or expand any existing tax credit or deduction. To ease its fiscal impact, the EITC increase in SB 349 would be phased in over three budget cycles.

### **Over 100 organizations agree**

Oregonians for Working Families consists of over 100 organizations calling on the legislature to first expand Oregon's EITC before extending or expanding any existing, or creating any new, tax expenditure.

For more information contact Lee Mercer, Oregon Center for Public Policy, at [lmercer@ocpp.org](mailto:lmercer@ocpp.org)

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*Helping working families and communities thrive—  
a coalition to increase the Oregon Earned Income Tax Credit*

**Coalition Members as of March 11, 2011**

AARP Oregon  
Access, Inc.  
Adelante Mujeres  
Advocacy Coalition of Seniors & People with Disabilities  
African American Alliance for Homeownership  
AFSCME Council 75  
AFSCME Local 88  
AFSCME Local 3214  
American Assoc. of University Women of Oregon  
Amigos Multicultural Services Center  
Asian Pacific American Network of Oregon  
Benton County Board of Commissioners  
Bienestar  
Bread for the World  
CASH Oregon  
CAUSA  
Center for Intercultural Organizing  
Central City Concern  
Central Oregon Jobs with Justice  
Central Oregon Labor Council  
Centro Latino Americano  
Children First for Oregon  
City of Eugene  
City of Hillsboro  
City of Springfield  
Clackamas County Board of Commissioners  
Coalition for a Livable Future  
Comité Latino  
Common Cause Oregon  
Communications Workers of America Local 7901  
Community Action of Washington County  
Community Action Partnership of Oregon  
Community Action Program of East Central Oregon  
Community Action Team  
Community Alliance of Lane County  
Community Alliance of Tenants  
Community Services Consortium  
Community Vision, Inc.  
Constructing Hope  
Eastern Oregon Labor Council AFL/CIO  
Economic Fairness Oregon  
Ecumenical Ministries of Oregon  
Elders In Action  
Eugene Springfield Solidarity Network  
Family Forward Oregon  
Harney County Senior & Community Service Center  
Human Services Coalition of Oregon  
ILWU Oregon Area District Council  
Jewish Federation of Greater Portland  
Klamath and Lake Community Action Services  
Lane County Board of Commissioners  
Lane County Church Women United  
League of Women Voters of Oregon  
Main Street Alliance of Oregon  
Marion-Polk-Yamhill Central Labor Council  
Mid-Columbia Community Action Council  
Mid-Willamette Valley Community Action Agency  
Mid-Willamette Valley Jobs with Justice  
Multnomah County Board of Commissioners  
Multnomah Pomona Grange #15  
National Action Network Portland Beaverton Oregon  
National Assoc. of Social Workers, Oregon Chapter  
National Council of Jewish Women- Portland Section  
Native American Youth and Family Center  
Neighborhood Partnerships  
Neighbor Impact  
New Seasons Market  
Northwest Housing Alternatives  
Oregon Action  
Oregon Alliance for Retired Americans  
Oregon Center for Christian Values  
Oregon Center for Public Policy  
Oregon Coalition on Housing and Homelessness  
Oregon Farm Worker Ministry  
Oregon Food Bank  
Oregon Housing Alliance  
Oregon Hunger Relief Task Force  
Oregonians for Health Security  
Oregon League of Minority Voters  
Oregon Nurses Association  
Oregon State Building & Construction Trades Council  
Oregon State Council for Retired Citizens  
Oregon State Grange  
Oregon Thrives  
Our Oregon  
Paloma Clothing  
Partnership for Safety and Justice  
Partnership to End Poverty  
People's Alliance for Livability in the Santiam Canyon  
People of Color Health Equity Collaborative  
Portland ACORN  
Portland Impact  
Portland Jobs with Justice  
Proud Ground  
Pyramid Communications  
Rural Organizing Project  
Russellville Grange  
SEIU Local 49  
SEIU Local 503  
Sisters of the Road  
Southern Oregon Central Labor Council  
Southern Oregon Jobs with Justice  
Stand For Children  
Stoll Berne Lawyers  
Sustainable Business Network of Portland  
Tax Fairness Oregon  
Umpqua Community Action Network  
United Food & Commercial Workers Local 555  
United Seniors of Oregon  
United Way of Jackson County  
Urban League of Portland  
VOIS Alliance  
Working Families Party of Oregon  
Yamhill Community Action Partnership