

Testimony of Damon Isiah Turner
(SB 349 on behalf of the People of Color Health Equity Collaborative (POCHEC))
March 11, 2011

Chair Burdick, Senators Morse, Hass and Telfer, thank you for the opportunity to speak with you today in conjunction with everyone else present and those that submitted written testimony regarding the proposed expansion of the Earned Income Tax Credit in Oregon in SB 349. I am Damon Isiah Turner, project manager for the People of Color Health Equity Collaborative – or POCHEC, a statewide network of 20 community constituency based organizations. POCHEC's vision is an Oregon where all residents have equal health outcomes regardless of status. To eliminate disparities the focus must be on the social determinants of health, including education, employment, income, housing, environment, income, housing, environment, and transportation. And that is the link to the Earned Income Tax Credit. The expansion of the EITC is a proven model to move families out of poverty.

To be direct, one of the concerns regarding Senate Bill 349 is that given the present economic cycle in which our state and nation finds itself, questioning whether there is money to increase this particular tax credit in Oregon from 6 percent to 18 percent to match the federal EITC is economically feasible. We believe that it is a matter of priority, and if you are considering any tax expenditures to stimulate the economy, the EITC should be at the top of the list.

According to taxcreditsources.org, for tax year 2010, 23 states and the District of Columbia offer state-level earned income credits for their residents. The range in percentages that states offer as a percentage of the federal EITC is as high as 32% for Vermont, and as low as 3.5% for the state of Louisiana. Our neighbor to our north, Washington, will be at 10% of the federal EITC as of 2012.

I do believe in the importance of targeted incrementalism as a policy approach that can be beneficial – it is important that as a state we are able to look at the EITC as an investment for the present and the future in assisting both families living below the poverty line and those that were up until very recently, within the middle class, in being able to compliment a disproportionate amount of their income being spent on income taxes, rising gas prices, and the day-to-day items that most of us spend income on – such as day care for children, educational and health expenses, and monthly household expenses.

Of course the function of the EITC alone is not as a cure all. In addition, it is also not intended as a means to stay at a particular income level for the duration of one's life. However, it is important to note how the EITC has been utilized as a tool to move those from the working class to the middle class. A March 2010 report by the Democratic Leadership Council in regards to the federal EITC notes how millions are moved out of poverty and how certain data implies that literally millions more of Americans could move out of poverty and be put on the path to prosperity if programs such as the EITC achieved better penetration and exposure. In conjunction with other efforts in which each

of you is involved regarding ways to generate jobs and business development for the state, the EITC must be viewed in the broader context of a comprehensive approach to creating a bigger tax base for the State of Oregon in addition to a more economically and psychologically healthy citizenry in which economic development and sustainability is able to thrive. And that is the link between POCHEC's vision of an Oregon where all residents have equal health outcomes regardless of status and the EITC – those social determinants of health, including income and employment -- are critical.

Senators, I respectfully request that anytime this session you consider the expansion of tax expenditures keep expansion of the EITC in the fore front of your deliberation given that it is a true economic driver to help the economic well being of Oregonians. Thank you for this opportunity.