

June 21, 2013

To: Chair Barnhart and House Committee on Revenue Members

From: Main Street Alliance Business Owners

Re: Renew and strengthen the Oregon EITC, Support HB 2477 and SB 326

Chair Barnhart and Committee Members,

The Main Street Alliance of Oregon, a statewide network of over 1200 small business owners, is in support of HB 2477 and SB 326 to extend and expand the Oregon EITC.

In Main Street Alliance of Oregon's September report, *Taking the Pulse of Small Business*, a majority of 401 Oregon businesses surveyed responded "more customers" to the question "What do you believe small business owners need most to create jobs and help get the economy back on track?" And what do customers need most to support businesses in their communities? More dollars in their pockets!

This year, as Oregon state legislators, you have the opportunity to make sure that a quarter of a million Oregonians have more spending money in their pockets to spend in local communities by renewing and strengthening Oregon's Earned Income Tax Credit (EITC).

This will have important benefits for small businesses and communities throughout Oregon:

- Working families will have more money to cover basics such as groceries, rent, utility bills and car repairs. These dollars are spent in local businesses.
- EITC spending reaches communities **in every legislative district across our state**.
- Low-income workers will be better able to cover work-related costs such as transportation and childcare, thereby strengthening our workforce.
- Many small business owners themselves who file for taxes as individuals receive the EITC to help support their families, educate themselves and keep their businesses alive and growing. More than 14 percent of filers with small-business income claim the EITC.

We have submitted a letter of support for legislation that will extend and improve the Oregon EITC signed by 22 Main Street small business owners statewide, as well as 5 videos. Here are a few comments they shared on the importance of the Earned Income Tax Credit as they signed on this letter:

From a farmer in rural Clackamas County:

- *It is a "win-win." It provides basic necessities for families who are unable to fully provide those things for themselves and precisely because these families so badly need this boost, the monies they receive go immediately into local economies giving the economy a boost. Better-fed and clothed kids, more jobs—a no-brainer!*

From a small business owner in the Columbia Gorge:

- *I have had situations where my income was compromised and the earned income credit program was a huge benefit to my family and me. It is not necessary for me now but as a stop-gap or safety net it was a lifesaver.*

From a jewelry store owner in Eastern Oregon:

- *I live in rural Oregon where these benefits have a magnifying effect. The EITC brings more circulating dollars into the local economy.*

From a gift store owner in Eugene:

- *Oregonians are struggling to keep our local economies afloat. Let's help working parents and families circulate money here in our local communities by securing important tax credits.*

From the owner of a small town appliance store:

- *Many years ago I was a single mom. I received the EITC and it helped me in many ways to improve my family life. Please keep helping the hard working people in this great country.*


From the owner of an arts and crafts store in Yamhill County:

- *We run a business which works with many customers who are re-entering the workforce, in physical therapy, are only able to be partially employed and who struggle to make gainful employment pay for their basic needs. They make for some of our most loyal customers, as they appreciate the specialized attention, solutions and service local small businesses provide. EITC lays out a path for working families to become a vital part of the local economy.*

As you can see, from Main Street small business owners around the state, we are hearing strong support for extending and improving the Oregon Earned Income Tax Credit.

We thank you for your work and urge you to support HB 2477 and SB 326, legislation that will extend and improve the Oregon EITC.

Yours respectfully,



Jim Houser, co-chair
Hawthorne Auto Clinic, Portland



Mark Kellenbeck, co-chair
BrainJoy LLC, Medford