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GOVERNOR



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Testimony before House Human Services and Housing Committee

Duke Shepard, Labor and Human Services Policy Advisor to Governor Kitzhaber

Thank you for your consideration of HB 2477 and HB 2850. I'm sorry that I cannot join you in person today.

Governor Kitzhaber supports extending Oregon's Earned Income Tax Credit. The Governor sees the Earned Income Tax Credit as a key element of the Oregon Business Plan's goal to reduce Oregon's poverty rate to 10% by 2020.

The Earned Income Tax Credit is a proven, effective tool for reducing the effects of poverty. It rewards and encourages work; it puts money into the pockets of working families and into the economy.

While Oregon's credit is only a percentage of the federal credit, it is still significant and should be continued. Small increments of money make a difference for families struggling in low-wage jobs.

The Governor's recommended budget for 2013-2015 not only called for extending the credit, but for increasing it from its current level of 6% to 8% of the federal credit. Should the committee act to extend the credit, the Governor encourages you to increase it as well, at least to the level proposed in the GRB.

Study after study has shown the positive effects of the credit – on poverty, on helping people to become self sufficient, even on the education and development of children in low income families.

Extension and increase of the credit is good tax policy, good social policy, and good economic policy.

Thank you again for your interest in this important public policy.