

REVENUE: Revenue statement issued

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass and Be Referred to the Committee on Revenue by Prior Reference
Vote:	7 - 1 - 1
Yeas:	Gallegos, Gilliam, Gomberg, Keny-Guyer, Olson, Whisnant, Tomei
Nays:	Whitsett
Exc.:	Speaker Kotek
Prepared By:	Regina Wilson, Administrator
Meeting Dates:	3/13, 4/1

WHAT THE MEASURE DOES: Raises percentage of federal Earned Income Tax Credit allowable against Oregon personal income tax for four consecutive tax years starting with tax year beginning on or after January 1, 2013.

ISSUES DISCUSSED:

- Economic impact of Earned Income Tax Credit
- Earned Income Tax Credit as pathway to reduce poverty
- Number of children and families served by Earned Income Tax Credit

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Oregon Legislature first enacted the Earned Income Tax Credit (EITC) in 1997. Low and moderate income working Oregonians with children and some very low income workers without children are eligible for the EITC. A worker must file federal and state tax returns to receive the EITC. In 2010, the federal EITC reportedly assisted approximately 6.3 million people across the nation. House Bill 2850 increases the percentage of the federal Earned Income Tax Credit allowable against state personal income tax in each of four consecutive tax years, beginning on or after January 1, 2013.