

# Low Income Taxes and Benefits

*DRAFT INFORMATION*

## **Taxes**

- Earned Income Tax Credit, Federal & Oregon (N=286,000)
- Working Family Child Care Tax Credit (N=27,000)
- Child & Dependent Care Tax Credit (N=41,000)

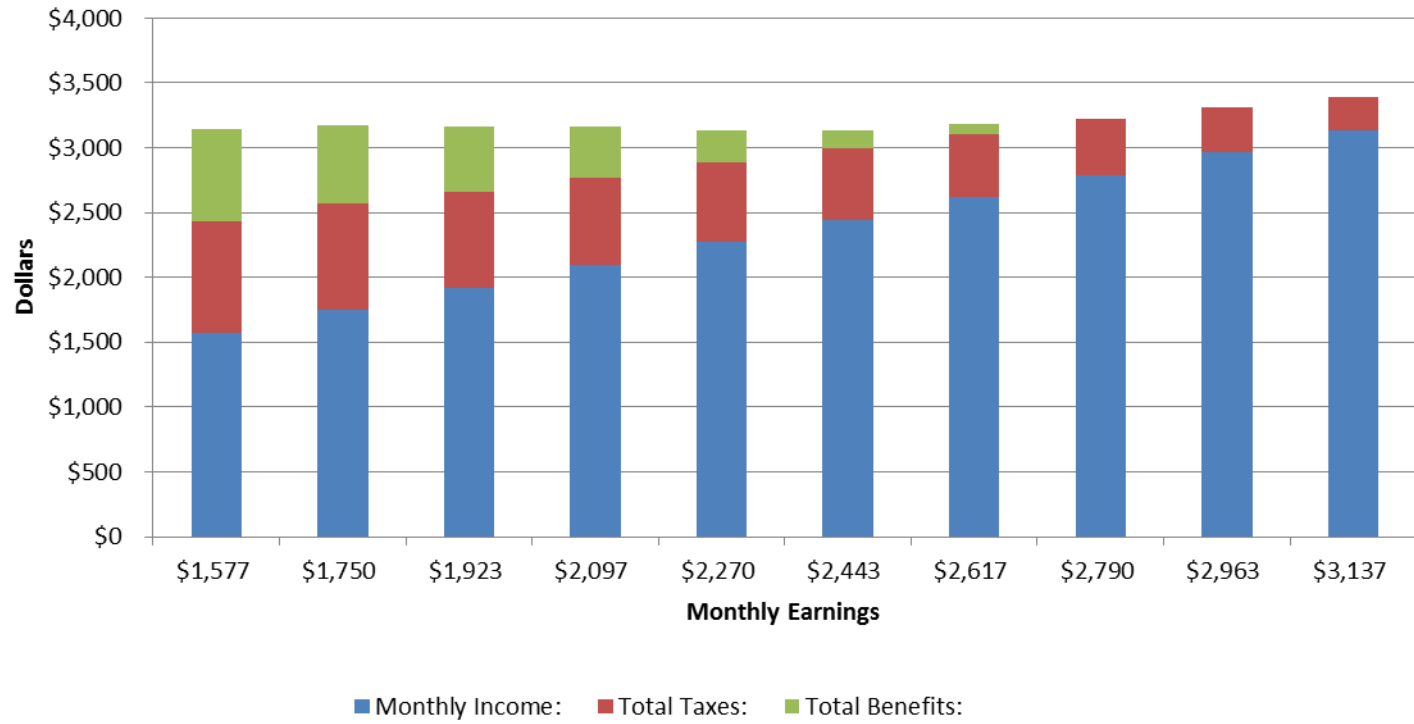
## **Benefits**

- Medical Assistance Programs (N=382,540)
- Supplemental Nutrition Assistance Program (N=655,075)
- Self-Sufficiency Program (mostly TANF) (N=126,760)
- Employment Related Day Care (roughly 8,100 families)
- Rental Assistance Programs (roughly 53,000 households)

Comparative Monthly Tax & Benefit Calculation: Family of three (1 adult, 2 children)  
 (Excluding Medical Benefits)

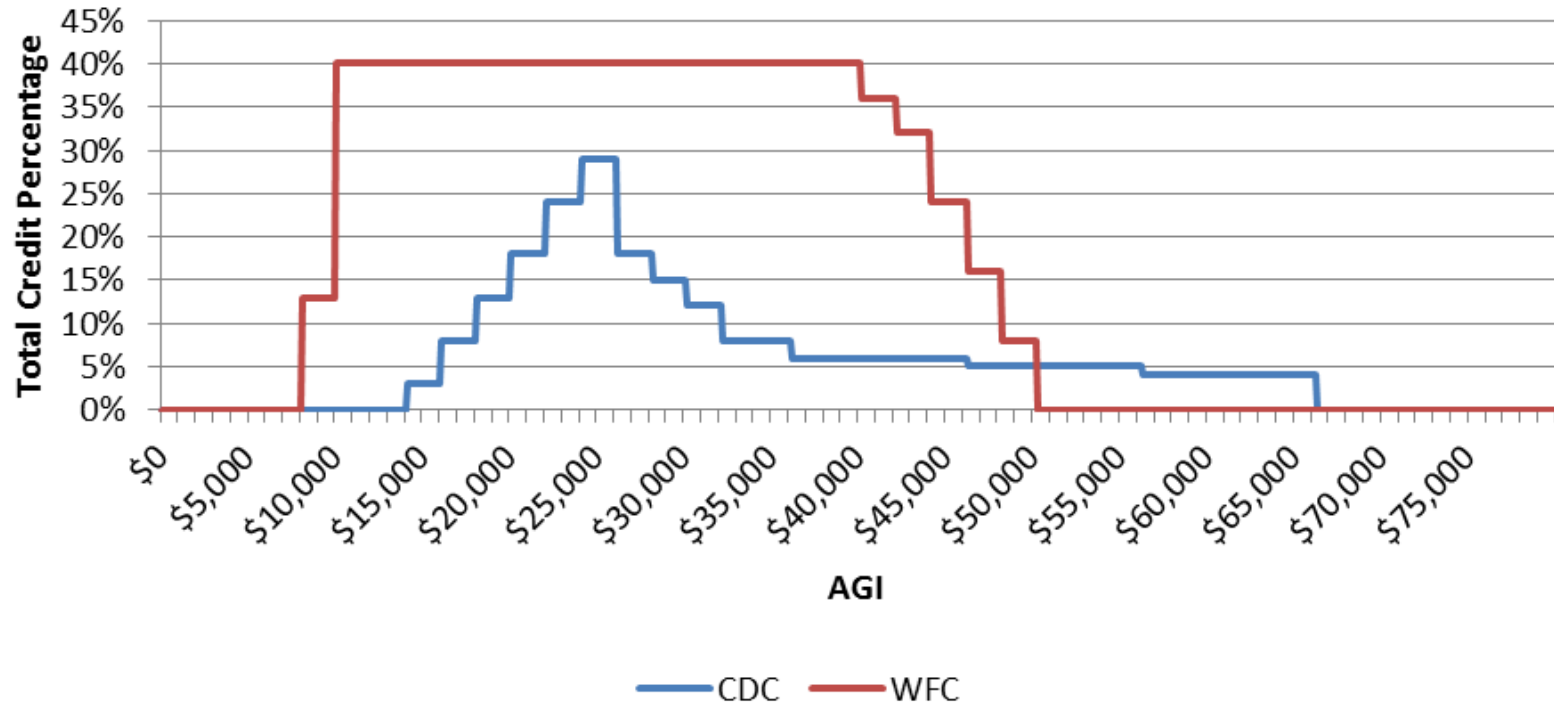
|                                      | <b>Hourly Wage</b>   |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|--------------------------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                      | <b><u>\$9.10</u></b> | <b><u>\$10.10</u></b> | <b><u>\$11.10</u></b> | <b><u>\$12.10</u></b> | <b><u>\$13.10</u></b> | <b><u>\$14.10</u></b> | <b><u>\$15.10</u></b> | <b><u>\$16.10</u></b> | <b><u>\$17.10</u></b> | <b><u>\$18.10</u></b> |
| Hours worked/week                    | 40                   | 40                    | 40                    | 40                    | 40                    | 40                    | 40                    | 40                    | 40                    | 40                    |
| Monthly Wage Income                  | \$1,577              | \$1,750               | \$1,923               | \$2,097               | \$2,270               | \$2,443               | \$2,617               | \$2,790               | \$2,963               | \$3,137               |
| Monthly Child Care Expenses          | \$1,200              | \$1,200               | \$1,200               | \$1,200               | \$1,200               | \$1,200               | \$1,200               | \$1,200               | \$1,200               | \$1,200               |
| <b>Taxes</b>                         |                      |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Federal Income Tax (Excl EIC)        | \$167                | \$167                 | \$151                 | \$134                 | \$116                 | \$99                  | \$82                  | \$64                  | \$42                  | \$16                  |
| Federal EIC                          | \$479                | \$458                 | \$407                 | \$369                 | \$334                 | \$297                 | \$260                 | \$224                 | \$187                 | \$151                 |
| FICA                                 | -\$121               | -\$134                | -\$147                | -\$160                | -\$174                | -\$187                | -\$200                | -\$213                | -\$227                | -\$240                |
| Oregon Income Tax (Excl WFC/EIC)     | -\$31                | -\$44                 | -\$60                 | -\$75                 | -\$91                 | -\$106                | -\$122                | -\$138                | -\$153                | -\$169                |
| Refundable Oregon WFC                | \$321                | \$337                 | \$352                 | \$372                 | \$408                 | \$424                 | \$450                 | \$480                 | \$480                 | \$480                 |
| Refundable Oregon EIC                | \$38                 | \$37                  | \$33                  | \$30                  | \$27                  | \$24                  | \$21                  | \$18                  | \$15                  | \$12                  |
| <b>Total Taxes</b>                   | <b>\$854</b>         | <b>\$821</b>          | <b>\$736</b>          | <b>\$669</b>          | <b>\$620</b>          | <b>\$551</b>          | <b>\$491</b>          | <b>\$434</b>          | <b>\$344</b>          | <b>\$250</b>          |
| <b>Benefits</b>                      |                      |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| TANF                                 | \$0                  | \$0                   | \$0                   | \$0                   | \$0                   | \$0                   | \$0                   | \$0                   | \$0                   | \$0                   |
| SNAP                                 | \$312                | \$249                 | \$187                 | \$125                 | \$62                  | \$0                   | \$0                   | \$0                   | \$0                   | \$0                   |
| Child Care                           | \$397                | \$357                 | \$319                 | \$270                 | \$179                 | \$139                 | \$75                  | \$0                   | \$0                   | \$0                   |
| <b>Total Benefits</b>                | <b>\$709</b>         | <b>\$606</b>          | <b>\$506</b>          | <b>\$395</b>          | <b>\$241</b>          | <b>\$139</b>          | <b>\$75</b>           | <b>\$0</b>            | <b>\$0</b>            | <b>\$0</b>            |
| <b>Totals</b>                        |                      |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Wage Income and Refundable Taxes     | \$2,431              | \$2,571               | \$2,659               | \$2,766               | \$2,890               | \$2,994               | \$3,108               | \$3,224               | \$3,307               | \$3,387               |
| Benefits Income                      | \$709                | \$606                 | \$506                 | \$395                 | \$241                 | \$139                 | \$75                  | \$0                   | \$0                   | \$0                   |
| Child Care                           | -\$1,200             | -\$1,200              | -\$1,200              | -\$1,200              | -\$1,200              | -\$1,200              | -\$1,200              | -\$1,200              | -\$1,200              | -\$1,200              |
| <b>Total Net Income</b>              | <b>\$1,940</b>       | <b>\$1,977</b>        | <b>\$1,965</b>        | <b>\$1,961</b>        | <b>\$1,931</b>        | <b>\$1,933</b>        | <b>\$1,983</b>        | <b>\$2,024</b>        | <b>\$2,107</b>        | <b>\$2,187</b>        |
| <b>Marginal Changes</b>              |                      |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Earnings Income Change               |                      | \$140                 | \$88                  | \$107                 | \$124                 | \$104                 | \$113                 | \$117                 | \$83                  | \$80                  |
| Benefits Income Change               |                      | (\$103)               | (\$100)               | (\$111)               | (\$154)               | (\$102)               | (\$64)                | (\$75)                | \$0                   | \$0                   |
| Total Net Income Change              |                      | \$37                  | (\$12)                | (\$4)                 | (\$30)                | \$2                   | \$49                  | \$42                  | \$83                  | \$80                  |
| Effective Marginal Implicit Tax Rate |                      | 74%                   | 114%                  | 103%                  | 124%                  | 98%                   | 56%                   | 64%                   | 0%                    | 0%                    |

## Monthly Income and Benefits

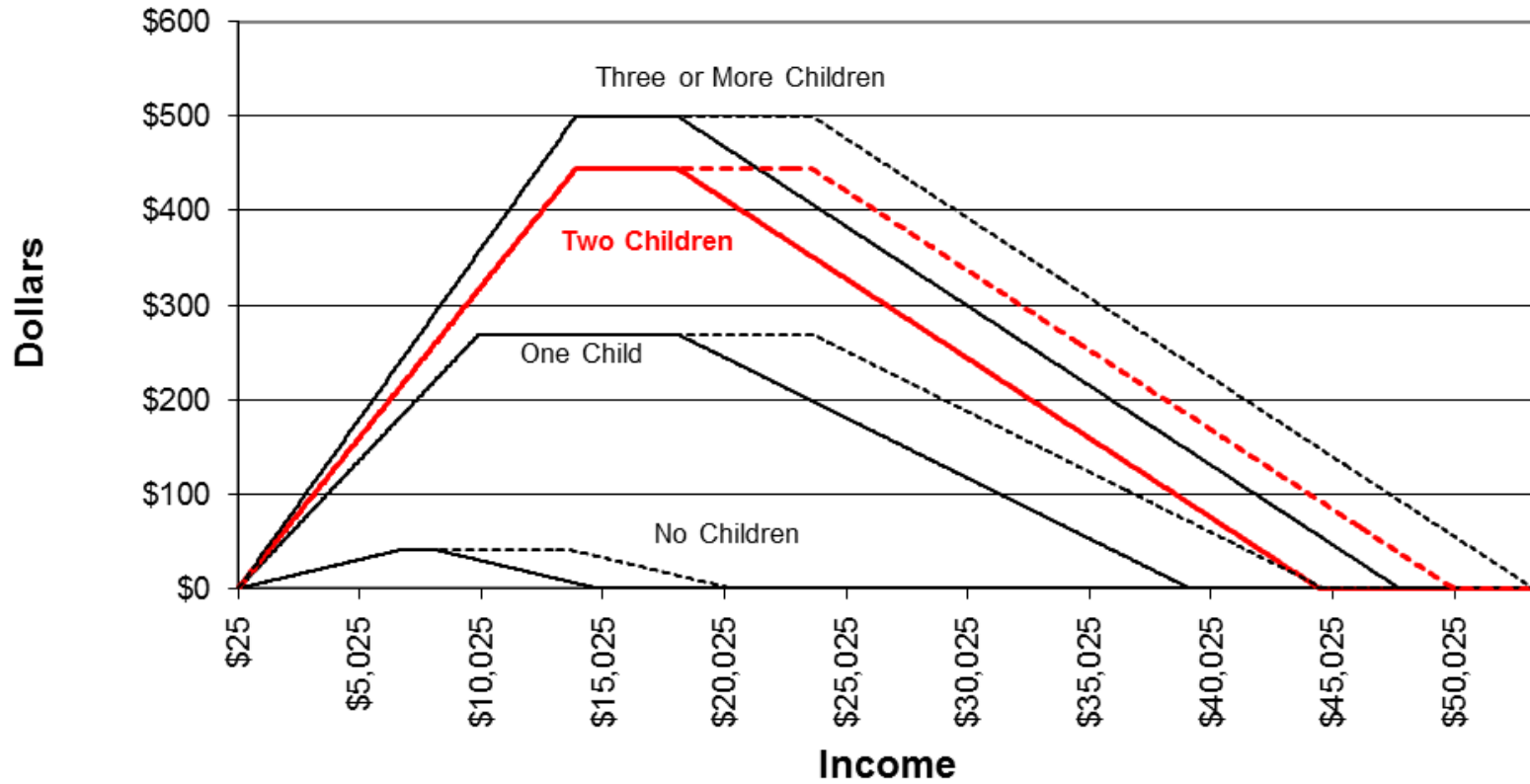


# Child Care Tax Credits Effective Percentages

(Household Size 3)



### 2015 Oregon Earned Income Credit



Note: Single Filers (solid line) and Married Filers (dashed line)