

House Committee on Human Services and Housing
February 3, 2016
House Bill 4144 Relating to Earned Income Tax Credits

Chair Keny-Guyer and members of the Committee,

Neighborhood Partnerships' mission is to create opportunity for Oregonians with low incomes. We believe that communities are stronger and more resilient when more of our neighbors are able to navigate financial bumps in the road and continue on their journey to prosperity. Our work is centered on building systemic, long-term change, thereby maximizing our impact on the lives of people with low incomes. We believe in an Oregon full of financially resilient households where opportunity and prosperity are shared widely and accessible to all.

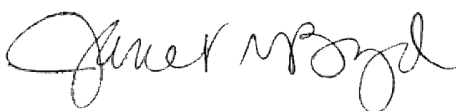
We ask your support for efforts to increase utilization of the earned income tax credit (EITC) to help families achieve financial security and build assets.

The EITC puts money back into the pockets of working families who need it most. Because it encourages work, it helps families shore up their earnings throughout the year, and then provides a substantial refund that can be used to build assets. Families can save for a rainy day, a car to get to work, or college. The EITC makes saving for the future possible for workers with low and moderate wages. Many recipients use the EITC to pay off debts, another way to allow them to begin building assets. Because it is targeted at families with children, the EITC has intergenerational and lifelong benefits by strengthening economic security for working families.

Despite these many benefits, the EITC is significantly underutilized in Oregon, meaning families and children are missing out on an essential tax credit. A report from the Department of Revenue on underutilization will give service providers and advocates throughout the state the knowledge they need to target outreach efforts throughout the state, including to rural communities and communities of color. The Department of Revenue's promotion of the EITC and tax preparation services can help more families can begin building assets by claiming the tax credit that they have earned through their hard work.

Neighborhood Partnerships urges your support of this proposal. Thank you for your consideration of this bill, and for your service to the people of Oregon.

Sincerely,



Janet Byrd
Executive Director, Neighborhood Partnerships