

House Committee on Revenue
February 4, 2016
House Bill 4110 Relating to Taxation

Chair Barnhart 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.

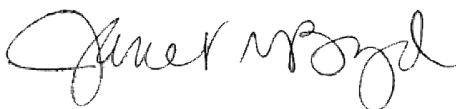
We ask your support for increasing the size of the state earned income tax credit (EITC) for families with young children to help them achieve financial security and build assets.

The EITC is a powerful tool for economic opportunity, bringing intergenerational and lifelong benefits for working families and their children. Because it is based on earnings, the EITC encourages work, and then provides a substantial refund that can be used to build assets. Families can begin saving for a rainy day, a car to get to work, or college tuition. Many other recipients use the EITC to pay off debts, another way to allow them to begin building assets.

Increasing the EITC percentage for families with young children will help families manage expenses associated with a growing family, such as childcare. Such an increase is a smart investment for Oregon's future because of the credit's well-documented benefits for young children, including improved educational and health outcomes.

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

Sincerely,



Janet Byrd
Executive Director, Neighborhood Partnerships