



HB 4144 EITC Utilization

Testimony for House Committee on Human Services and Housing

Clearly, this bill is designed to get at the vexing problem of under-utilization of the EITC by Oregon's needy.

According to Citizens for Tax Justice, the average 1 adult, 2 children family receives federal EITC and CTC subsidies of \$4690. It makes no sense to leave this much federal money on the table while Oregon's working poor struggle to pay for basic needs like housing.

Of course, increasing federal participation will increase participation in Oregon's dependent, child care and EITC tax programs at the same time, increasing our own revenue investment in these family supports. But this is a new cost we can't afford to walk away from; our EITC is 8% of the federal EITC amount.

We do hope that you will ask Ways and Means to fund a strong public information campaign now, and one that will be increasingly focused to the most neglected regions and populations after the facts are learned from the annual report for which this bill calls.

Based on responses from CPA's about the provision in the bill that places a limit on tax preparer's charges for preparing the taxes of EITC recipients, we believe that section should be removed from the bill. We were told:

- There are strong provisions in place to protect both clients and the integrity of tax filing. The Board of Tax Examiners and the Board of Accountancy are where "the bad guys" are regulated and where the public's redress is located for questionable professional activity.
- Some taxpayers with complex returns are eligible for EITC and CTC. A hard dollar limit would be inappropriate.

With this omission, we support HB 4144.