

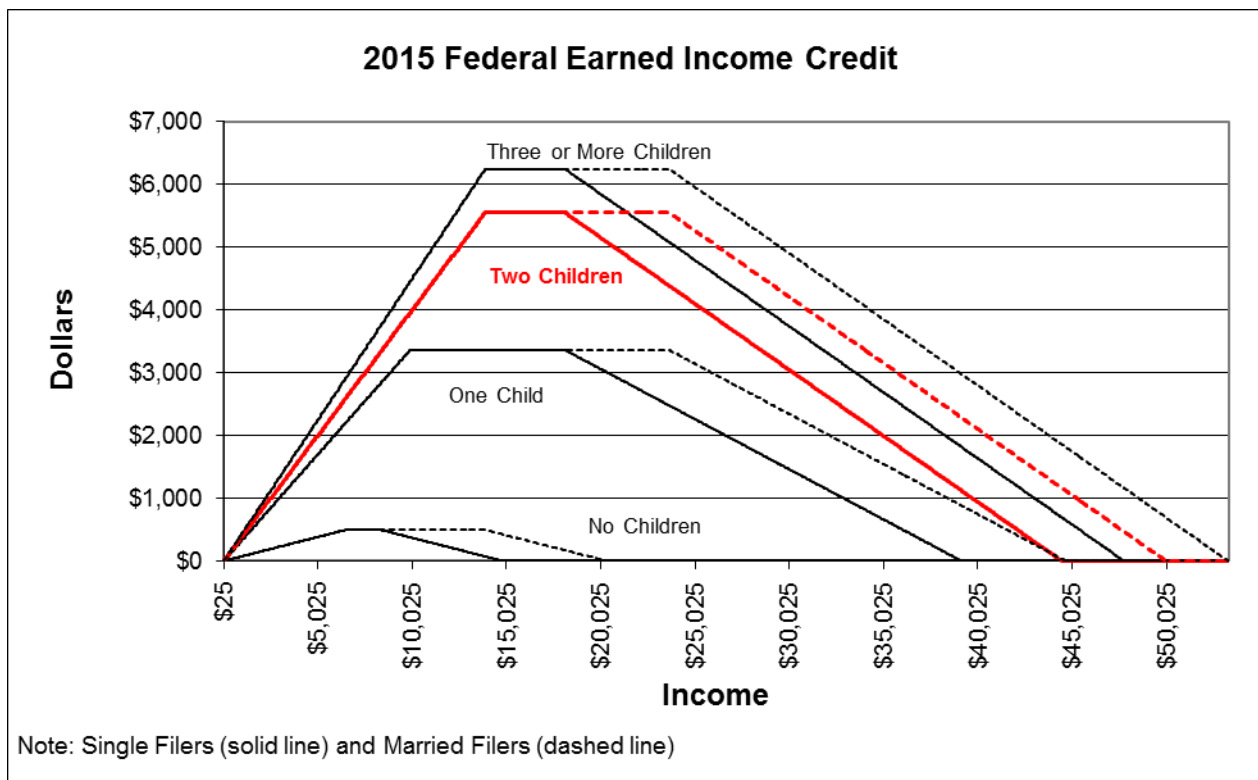
# The Federal and Oregon Earned Income Tax Credits

## Federal History

- 1975: Created with the Tax Reduction Act as a temporary refundable credit against social security taxes
- 1978: increased maximum credit, allowed advance payments, and created the plateau range
- 1986: the income limits and phase-outs became indexed to inflation
- 1990: adjusted for family size
- 1993: extended to taxpayers without children
- 2001: expanded the married phase-out range
- 2009: expanded the married phase-out range and increased credit for larger families

## Eligibility Criteria (tax year 2015)

- AGI and earned income must be less than specified amounts
  - \$47,747 (\$53,267 if married) with three or more qualifying children
  - \$44,454 (\$49,974 if married) with two qualifying children
  - \$39,131 (\$44,651 if married) with one qualifying child
  - \$14,820 (\$20,330 if married) with no qualifying children
- Earned income includes wages/salaries & tips that are taxable and net earnings from self-employment
- Investment income must be no more than \$3,400
- A qualifying child must meet relationship, age, and residency tests
- Maximum credit is as follows: \$503 (no children); \$3,359 (one child); \$5,548 (two children); \$6,242 (3+ children)



## Oregon History

- 1997: SB 388 created a nonrefundable credit equal to 5% of the federal credit
- 2006: became refundable
- 2008: increased to 6% of the federal credit
- 2013: increased to 8% of the federal credit
- Maximum credit is as follows: \$40 (no children); \$269 (one child); \$444 (two children); \$499 (3+ children)
- 2020: scheduled to sunset

