

PRELIMINARY STAFF MEASURE SUMMARY

House Committee On Revenue

Fiscal: Has minimal fiscal impact

Revenue: Has minimal revenue impact

Action Date:

Action:

Meeting Dates: 02/15

Prepared By: Chris Allanach, Senior Economist

WHAT THE MEASURE DOES:

Establishes the Task Force on Utilization of the Earned Income Tax Credit. Specifies membership and rules of the task force. Requires the task force to study the utilization of the earned income and dependent care tax credits and to identify possible ways to increase their utilization. Requires an annual report be submitted to the Legislature by September 15th of each year. Requires the Department of Revenue to promote the awareness of sources of taxpayer assistance. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

-A4 makes the following changes:

- Modifies the composition of the task force
- Removes language regarding compensation for task force members
- Limits the tax credits under consideration to the EITC and the current dependent care credit
- Replaces the Emergency Clause with an E91 effective date
- Modifies the language regarding DOR requirements

-A5 is identical to the -A4 except for page 3 lines 8-9. Instead of the task force electing a chairperson, the DHS representative is legislatively appointed as the chairperson

BACKGROUND:

The federal Earned Income Tax Credit is a refundable credit available to low income filers. Oregon's Earned Income Tax Credit is 8% of the federal credit. The dependent care credits identified in the bill are the Working Family Child Care and Child & Dependent Care tax credits (scheduled to sunset on 1/1/2016) and the Working Family Child and Dependent Care tax credit (scheduled to begin on 1/1/2016).