

STAFF MEASURE SUMMARY

House Committee On Human Services and Housing

Fiscal: Has minimal fiscal impact

Revenue: Has minimal revenue impact

Action Date: 02/08/16

Action: Do Pass With Amendments And Be Referred To Revenue By Prior Reference. (Printed A-Eng.)

Meeting Dates: 02/03, 02/08

Vote:

Yeas: 8 - Buehler, Evans, Gallegos, Hayden, Keny-Guyer, Piluso, Stark, Taylor

Exc: 1 - Parrish

Prepared By: Adam Crawford, Committee Administrator

WHAT THE MEASURE DOES:

Establishes Task Force on Utilization of the Earned Income Tax Credit. Specifies membership and rules of Task Force. Requires report to specified Legislative committees before September 15th of each year on rates of utilization of earned income and dependent care tax credits. Requires Department of Revenue (Department) to target outreach efforts to taxpayers in specified regions and groups, and specifies promotions. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Current rates of utilization by EITC
- Impacts of EITC on eligible families
- Average total federal EITC benefits not claimed each year

EFFECT OF COMMITTEE AMENDMENT:

Removes Department of Revenue (Department) reporting requirement and obligation to identify regions and groups with low utilization rates.

BACKGROUND:

The Earned Income Tax Credit (EITC) is a federal refundable tax credit program for people with low to moderate income who have dependent children who reside with the taxpayer. Oregon has a state EITC that mirrors the federal credit.

House Bill 4144 A requires the Department of Revenue to report and encourage the utilization of the earned income and dependent care tax credits. The measure also limits the amount a tax preparer may charge if the taxpayer is eligible to claim the EITC.