

**Fiscal:** Has minimal fiscal impact

**Revenue:** Revenue impact issued

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**Action Date:** 02/15/16

**Action:** Do Pass With Amendments. (Printed A-Eng.)

**Meeting Dates:** 02/04, 02/15

**Vote:**

Yeas: 7 - Barnhart, Bentz, Helm, Johnson, Lininger, Nosse, Smith Warner

Nays: 1 - Whitsett

Exc: 1 - Davis

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**WHAT THE MEASURE DOES:**

Increases the Oregon Earned Income Tax Credit from 8% of the federal credit to 11% for taxpayers with a dependent under the age of three. Applies to tax years 2017 through 2019. Clarifies the meaning of the term 'conveyance' so that the partial transfer of property for state highway, county road or city street purposes is exempt from the requirements of ORS 311.411.

**ISSUES DISCUSSED:**

- The purpose and value of the Earned Income Tax Credit
- Implementation of HB 2127 from 2015 and the definition of conveyance

**EFFECT OF COMMITTEE AMENDMENT:**

Increases the Oregon Earned Income Tax Credit from 8% of the federal credit to 11% for taxpayers with a dependent under the age of three. Clarifies the meaning of the term 'conveyance'

**BACKGROUND:**

The Oregon earned income tax credit was created in 1997 at a rate of 5% of the federal credit. It was initially nonrefundable. In 2006 it became refundable. The percentage was increased to 6% in 2008 and to 8% in 2013. It is scheduled to sunset on 1/1/2020.