

STAFF MEASURE SUMMARY**House Committee On Revenue****Fiscal:** Has minimal fiscal impact**Revenue:** Has minimal revenue impact**Action Date:** 02/19/16**Action:** Do Pass With Amendments And Bill Be Referred To Ways And Means.
(Printed B-Eng.)**Meeting Dates:** 02/15, 02/19**Vote:**

Yeas: 9 - Barnhart, Bentz, Davis, Helm, Johnson, Lininger, Nosse, Smith Warner, Whitsett

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WHAT THE MEASURE DOES:

Establishes the Task Force on Utilization of the Earned Income Tax Credit. Specifies membership and rules of the task force. Identifies the representative from the Department of Human Services as the chair of the task force. Requires the task force to study the legal utilization of the earned income tax credit and the working family child and dependent care tax credit and to identify possible ways to increase their legal 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 tax credits targeted to low-income taxpayers and of sources of free taxpayer assistance. Effective on the 91st day following sine die.

ISSUES DISCUSSED:

- The use of the EITC in Oregon compared to other states
- The impact the EITC has on poverty
- The proper role for the Department of Revenue
- Goals of the task force

EFFECT OF COMMITTEE AMENDMENT:

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; identifies the DHS representative 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 credit identified in the bill is the Working Family Child and Dependent Care tax credit (effective since 1/1/2016).