



To: House Committee on Human Services and Housing
From: Matt Newell-Ching, Public Affairs Director
RE: Statement of Support for HB 2139 (with -1 Amdt.)/HB 3028
Date: February 27, 2019

It's time to Renew and Raise Oregon's Earned Income Tax Credit (EITC)

Partners for a Hunger-Free Oregon believes that all Oregonians have the right to be free from hunger. Our mission is to connect Oregonians to affordable, nutritious, and culturally-appropriate food. This includes advocating for policies that address the root causes of hunger and food insecurity.

For low-income working families in Oregon, wages aren't keeping up with the cost of life's necessities. Renters are eleven times more likely to experience hunger than homeowners. Oregon has the highest rate of hunger in the Northwest United States.

The Earned Income Tax Credit is one of the most powerful tools policymakers have to help families meet their budgets and plan for the future. Among the more common ways families use the EITC include repairing or purchasing a car, going back to school for career training, catching up on rent and utility bills, and activities for kids.

The EITC changes lives. It's a federal credit for low-income working families that Oregon matches at 8% (or 11% for families with kids under the age of 3). Kids who live in households that participate in EITC earn more as adults. The federal EITC – along with the Child Tax Credit – lifts 129,000 Oregonians above the poverty line each year. Over 900,000 Oregonians – one in five – lives in a household that receives the EITC.

Yet it could do more. Among states with refundable credits, Oregon ranks near the lowest rate. Raising the rate would help more families stay out of crisis and invest in the future.

HB 2139 (with -1 Amdt.)/HB 3028 would do three things:

1. Raise Oregon's EITC to 20% of the federal rate
2. Raise Oregon's EITC to 25% of the federal rate for families with kids under 3
3. Make Oregon's EITC more equitable by extending the credit to filers with Individual Taxpayer Identification Numbers.

The EITC is good for families, communities, and Oregon. We urge the legislature to Renew and Raise Oregon's EITC by passing HB 2139 (with -1 Amdt.)/HB 3028.