



TESTIMONY ON HB 3028 A BEFORE THE HOUSE REVENUE COMMITTEE

May 6, 2019

Chair Nathanson and Members of the Committee:

Oregon Business & Industry (OBI) is the largest statewide business organization representing approximately 1,600 businesses that employ nearly 300,000 Oregonians. Our members cover virtually every industry in Oregon, and more than 80 percent of them are small businesses with fewer than 100 employees.

As a member of the Renew & Raise coalition, OBI is submitting this testimony in support of HB 3028 A, legislation that would increase the percentage of the federal earned income credit allowable as a credit against Oregon personal income tax. In large part because an individual must be working in order to claim the credit, the earned income tax credit is one of the most effective tools the state has at its disposal to incentivize work and reduce poverty.

Despite a thriving economy, too many working Oregonians remain in poverty, unable to make ends meet. This situation will likely be exacerbated by a recession in the near future. During what will undoubtedly be a trying time for many, the earned income tax credit will provide individuals with a pathway to financial stability and less dependence on government assistance. And, if it is expanded as in HB 3028 A, it will do even more to ease the strain on both individual pocketbooks and state resources.

As a business organization, we are supportive of policies that encourage individuals to enter and remain in the workforce. Ultimately, Oregon businesses can only be successful if their employees show up to work and are engaged and productive. The earned income tax credit is a meaningful incentive to accomplish just that, and the state's economy benefits as a result.

For the reasons mentioned above, OBI supports HB 3028 A. Thank you for your consideration of our testimony as you evaluate the merits of the legislation.

Sincerely,

Mike Stober
Director of Tax and Fiscal Policy
Oregon Business & Industry