



To: Joint Committee on Tax Expenditures
From: Matt Newell-Ching, Public Affairs Director
Subject: Renew, Raise, and Improve Oregon's Earned Income Tax Credit in HB 2164
Date: June 11, 2019

It is the policy of the state of Oregon that "all persons have the right to be free from hunger" (ORS 458.530). Yet Oregon remains the state with the highest rate of hunger in the Northwest United States. The economic recovery has not been shared by all.

The Earned Income Tax Credit (EITC) is one of Oregon's most effective public policy tools to increase food security, reduce income inequality, build a future for kids and families, and support local economies. It changes lives by boosting income for 900,000 Oregonians. Along with the child tax credit, it lifts 127,000 Oregonians out of poverty. Participants often use the credit to invest in and envision a new future: purchasing or repairing a car, going back to school, paying off debt, or saving for a house.

Yet among states with refundable state EITCs, Oregon ranks among the lowest. We can change that.

We are proud to be a part of the coalition to Renew and Raise Oregon's EITC in 2019. The coalition includes over 50 community organizations, businesses, labor organizations, culturally-specific organizations, public utilities, credit unions, and faith-based groups. The coalition supported a stand-alone bill to renew and raise Oregon's EITC, HB 3028: a bipartisan bill that passed unanimously out of the House Human Services and Housing Committee.

As final decisions are being considered on HB 2164, we urge the committee to prioritize strengthening Oregon's EITC in the final package consistent with the improvements recommended in HB 3028. Specifically, we believe the legislature should:

- **Make Oregon's EITC more equitable by ending the exclusion for taxpayers who file with an Individual Taxpayer Identification Number (ITIN).** Oregon should treat all working taxpayers the same, regardless of use of an ITIN. This would end discrimination in the EITC against U.S. citizens living in mixed status households, including 70,000 kids who are citizens.
- **End the exclusion of Dreamers and TPS status-holders** whose work authorization has expired due to political gamesmanship at the federal level.
- **Strengthen the credit for families with young kids.** Currently Oregon provides an additional 3% boost for families with kids under 3. This targets resources to families facing the high costs of raising infants and toddlers.
- **Raise the credit for all eligible households.** Raising the credit will bring us closer in line with other states, and strengthen families and communities across Oregon.

We urge the legislature to create a brighter future for Oregon's kids, families, and communities by renewing and raising Oregon's EITC as part of HB 2164.