

June 11, 2019

Joint Committee on Tax Expenditures  
Oregon State Capitol  
900 Court Street NE  
Salem OR 97301

Chair Hass, Chair Nathanson, Vice Chairs, and Members of the Committee,

I am writing on behalf of Neighborhood Partnerships, a statewide non-profit organization, to express our strong support for inclusion of EITC renewal and expansion in House Bill 2164.

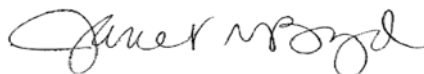
Neighborhood Partnerships works with partners across the state to help build financial stability and resilience. We work through program delivery and policy to help address the challenges that families in all corners of Oregon face: low wages, volatile incomes because of seasonal or sporadic employment, high housing and other costs of living, and limited pathways to help build assets and a more robust financial future.

Oregon's Earned Income Tax Credit is an important tool for families as they face financial challenges. Linked to the federal EITC, it is an income boost, an annual infusion of cash that can help families catch up or get a little bit ahead. We know that families use the EITC to help make one time, large purchases, to pay down credit balances or debt, and to put money aside for future needs. As more and more families experience the income volatility that is growing to be the rule rather than the exception for American households, these infusions of cash and opportunities to build assets will become even more important to help avoid personal financial crises.

The EITC has been shown to have long term financial benefits to children and families as well (CLASP, Oct 2017). Research shows that increasing income helps children in lower income families do better in school, and may increase the likelihood of high school completion. Additional family income in childhood also correlates with an increase in earnings in adulthood.

The EITC is a tool that works well in all corners of the state. Neighborhood Partnerships is excited about the proposal to extend the Oregon earned income credit to cover residents with a tax identification number and DACA status. This will deepen the impact of this important policy, and extend its reach into more households who are living with low incomes and striving to build a better future for themselves and their families. Oregon's Earned Income Tax Credit should be a budget priority, and should be set as high as we can make it, and to reach as many families as possible.

Again, we urge your yes vote to renew and raise the Oregon Earned Income Tax Credit. Thank you all for your service to our state, and for your action to build financial stability across Oregon.



Janet Byrd, Executive Director