

March 2, 2021

House Committee on Revenue  
Oregon State Legislature  
900 Court Street NE  
Salem, OR 97301

Dear Chair Nathanson, Vice Chair Reschke, Vice Chair Pham, Members of the Committee:

I am writing to you today on behalf of the Neighborhood Partnerships to express support for HB 2819, which would allow additional families across Oregon to access the Earned Income Tax Credit (EITC).

Neighborhood Partnerships is a statewide non-profit organization that works through policy and program delivery to increase opportunity for Oregonians, particularly Oregonians with low incomes.

The EITC, as you know, is a refundable tax credit that largely benefits families with low- to moderate-incomes in the United States, and has positive impacts in lifting working families up with an additional financial boost during tax season. For families with children, the EITC benefit is even larger. The benefits associated with the EITC have been shown to combat poverty among individuals in children, boost employment, and help promote good financial health among working families in paying down debts, addressing emergency expenses, or boosting savings.

As you may know, Oregon's EITC is based on eligibility for the federal EITC, including a factor relating to whether or not an individual has a Social Security Number. This eligibility criterion discriminates against families who would otherwise qualify for the EITC based on their earned income. In the State of Oregon, there are roughly 34,000 families – predominately Latinx and Asian Americans – who file their taxes using an Individual Taxpayer Identification Number (ITIN), yet have no ability to access the EITC.

A filer who is a U.S. citizen, but lives in a mixed-status household finds themselves with the same dilemma in qualifying for the EITC. The federal EITC also requires that every person claimed in a tax return have a Social Security Number. The State of Oregon uses the same eligibility criterion, which is estimated to negatively impact nearly 90,000 Oregonians who are U.S. citizens, including 70,000 citizen children who would stand to benefit from their parent or guardian from accessing the EITC.

The EITC also excludes certain workers, many of whom are otherwise deemed “essential,” including agriculture, food processing, retail, and construction sectors. Family members working in these sectors have been disproportionately impacted from the COVID-19 pandemic, yet do not have the same access to the same tax benefits as other families do.

HB 2819 would allow all income-eligible workers in Oregon to claim the state's EITC, regardless of how they file their taxes. The bill also contains a critically important and equitable component which would also would grant a supplemental payment to ITIN filers to make up for what the federal credit continues to deny them.

We urge you to support HB 2819, and expand access to this important credit for all of Oregon's working families and their children.

Sincerely,

Loren Naldoza, Legislative & Communications Manager  
Neighborhood Partnerships