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# A STRONG VOICE FOR OREGON'S WORKERS

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TO: Chair Nathanson  
Vice-Chairs Pham and Reschke  
Members of the House Revenue

FR: Jacob Finkelman, OR AFL-CIO

RE: HB 2819 Support

March 2, 2021

The Oregon AFL-CIO represents 300,000 workers across Oregon and is a voice for all workers in the legislative process. As such, we are dedicated to ensuring that all Oregonians have economic security to support themselves and their families. The Earned Income Tax Credit (EITC) boosts worker economic security by raising their take-home pay.

Too many industries don't pay their workers enough to make ends meet and support their families. The EITC is a common sense tax credit for working families that encourages and rewards employment: you must work to earn the credit. Because of its effectiveness, the credit has long enjoyed bipartisan support — both in Congress and the Oregon legislature. It recognizes that many jobs don't pay enough to meet basic necessities: the credit boosts income for 900,000 Oregonians — one in every five and most of whom are children (currently excluded 70,000 citizen children).

1 in 8 workers in Oregon is an immigrant. These workers disproportionately work in low-wage industries including manufacturing, food service, and agriculture which too often do not provide basic benefits or wages for already marginalized workers.<sup>1</sup> Oregon's immigrants are a critical part of our workforce, economy, and communities. HB 2819 will expand the EITC to workers who use an Individual Taxpayer Identification Number (ITIN) to file their taxes. This includes the 34,000 Oregon families— predominantly Latinx and Asian Americans — that are currently ineligible for the Earned Income Tax Credit simply because they use an ITIN. Under current policy, the EITC is denied to everyone in a household if just one member files their taxes with an ITIN.

The EITC boosts living standards of struggling families by reducing poverty by 10% (the child poverty rate by 19%). The equitable tax credit incentives work, especially among single mothers and people with less formal education. The EITC helps children succeed, and research shows that it has a direct effect on fostering improved health, better school performance, higher rates of graduation and college attendance and higher

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<sup>1</sup> <https://www.americanimmigrationcouncil.org/research/immigrants-oregon>

earnings as adults. Children earn more as adults: a \$3,000 yearly tax benefit results in 17% higher earnings when the child becomes an adult. The EITC supports the economy, bringing in more than \$612 million per year to Oregon, which heavily benefits rural communities.

The EITC currently excludes certain workers, many deemed essential, across agriculture, food processing, retail, and construction sectors. These essential workers have been disproportionately impacted by the pandemic due to racial inequities across the state. Our tax system needs to be equitable, and support *all* workers. An equitable economy and tax system is necessary for thriving families, sustained economic growth, and healthy children. Every Oregon family deserves access to the same quality care and tax credit system. We can take the steps to get there with House Bill 2819. We urge your support for this important bill.