

To: House Revenue  
From: Alicia Temple, Oregon Law Center  
Date: April 5, 2021  
Re: HB 3373, Creating a Tax Payer Advocate in DOR

Chair Nathanson and members of the committee:

On behalf of the Oregon Law Center (OLC), I am submitting testimony in support of HB 3373, to create an office of taxpayer advocates in the Department of Revenue.

OLC is a non-profit organization that provides free legal help to people struggling to make ends meet. Our mission is to achieve justice for low-income communities in Oregon by providing a full range of the highest quality civil legal services. We advocate for our clients and for the services and programs that help them to overcome poverty. We have a low-income taxpayer clinic that helps provide free legal services for Oregonians who need assistance with their taxes.

Having a taxpayer advocate in the Department of Revenue would make a significant difference for legal aid clients. Working with low-income individuals and families, we have witnessed that there is a pervasive fear of the Department of Revenue and of taxes. Our clients often view it as monolithic and unknowable; they are afraid that it is an agency that is simply out to take their money. They believe there is no pathway to help or payment plans if they owe money. This creates a real hesitancy to file taxes when it isn't necessary, even though there may be many benefits to filing taxes, like qualifying for the EITC.

The EITC is one of the largest anti-poverty tools available in the US. It was created in 1975 and was designed to encourage and reward work. Over the years it has been expanded and improved. The EITC has strong, bipartisan support because it supplements low-wages and helps lift families out of poverty. Over 900,000 Oregonians benefit from the EITC every year. In 2016, the average EITC across the country was \$3,176. To a family working hard to make ends meet, \$3000 can make a significant difference.

One way to encourage low-income communities to file their taxes and to therefore participate in benefits like the EITC, is to increase the transparency and trust in the Department of Revenue. Creating an office of tax advocates is good way to do that. The IRS has a similar office that our tax clinics have had great success with, and think are crucial to helping improve our tax processes.

One key to a successful tax advocate is that it is housed within DOR, but does have a significant amount of independence and authority. Getting this dynamic right will be an important part of the ability of the office to truly be of service to Oregonians who need help.

In addition to creating this tax advocate office, OLC supports the -1 amendment to enable culturally specific and responsive community-based organizations to better assist their clients in filing tax returns and receiving needed benefits that too often go unclaimed. This grant program is an important piece of increasing access to tax preparation services. OLC believes this grant program, in partnership with a tax advocate, would go a long way to improving participation in tax benefits as well as increasing trust and transparency in DOR.

Thank you for your time and your support of HB 3373 and the -1 amendment.