

June 10, 2021

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

Co-Chair Nathanson, Co-Chair Burdick, Vice Co-Chair Boquist, Vice Co-Chair Reschke, Vice Co-Chair Pham, and Members of the Committee:

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

The Oregon Housing Alliance is a coalition of ninety organizations from all parts of the state. Our members have come together with the knowledge that housing opportunity is the foundation on which all of our success is built – individual success as students, parents, workers, and community members as well as the success of our communities. We represent a diverse set of voices including non-profit housing developers, residents of affordable housing, local jurisdictions, and organizations working to meet basic needs in every corner of our state.

We believe that all Oregonians need a safe, stable, and affordable place to call home.

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 (SSN). 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 2819A would allow all income-eligible workers in Oregon to claim the state's EITC, regardless of how they file their taxes. This bill is a necessary step in achieving equity in access to tax benefits for all Oregonians, regardless of whether a taxpayer uses an SSN or ITIN. As you know, the state EITC is a small fraction of the federal EITC, which continues to be inaccessible to ITIN filers. We urge the Legislature to return in a future

session and commit to expanding access to the full EITC that ITIN filers can access and would otherwise benefit from under a more equitable federal tax code

We urge you to support HB 2819A, and take this step forward in expanding access to this important credit for all of Oregon's working families and their children.

Sincerely,

Loren Naldoza, Legislative & Communications Manager Neighborhood Partnerships

Housing Alliance Members

1000 Friends of Oregon

211info

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Common Ground OR-WA

Community Action Partnership of Oregon

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Housing Development Center

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(NAYA)

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(NEDCO)

Neighborhood Partnerships

NeighborImpact

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Network for Oregon Affordable Housing

Northwest Housing Alternatives

Northwest Pilot Project
Oregon AFSCME Council 75
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Oregon Center for Public Policy

Oregon Coalition on Housing & Homelessness Oregon Council on Developmental Disabilities

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