

To: House Committee on Human Services
From: Alicia Temple, Oregon Law Center
Date: February 3, 2022
Re: Support for HB 4117

Chair Williams and members of the committee:

On behalf of the Oregon Law Center (OLC), I am submitting testimony in support of HB 4117, to increase access to free tax services and participation in tax credits like the Earned Income Tax Credit.

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.

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. Unfortunately, there are still many Oregonians who do not know that they qualify for the EITC and therefore don't claim it. Increasing participation rates would mean more people can see the benefit of this tax credit.

In 2021, the Oregon Legislature expanded the EITC to Oregonians with ITINs to ensure they can access this critical anti-poverty tool. Expanding who is eligible is an important step to increasing participation, and now we must make sure those communities know about this new benefit and get the help they need to claim it.

HB 4117 provides funding for culturally specific and responsive community-based organizations to assist their communities 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.

Working Oregonians depend on the EITC to help make ends meet, to repair their cars, to pay off debt, or to invest in training and education. All income-eligible Oregonians who are working and paying taxes should be able to receive the same tax benefit. By increasing access to tax prep help, we ensure can increase participation rates of EITC and can make a significant difference in the lives of families who are doing their best to make ends meet.