



House Committee on Early Childhood
and Human Services

February 27, 2023

Testimony in Support of HB 3235

Chair Reynolds, Vice-Chairs Scharf and Nguyen, and Members of the Committee,

My name is Daniel Hauser, Deputy Director for the Oregon Center for Public Policy, and I respectfully submit this testimony in support of the Oregon Kids' Credit, HB 3235, on behalf of the Center.

The Oregon Center for Public Policy is a nonpartisan think tank dedicated to improving the economic outcomes for all Oregonians, particularly low-income families and Oregonians of color, through research and analysis.

The Oregon Kids' Credit is a \$1,200 refundable tax credit for each child that a family claims on their taxes. Only families with incomes of \$40,000 or less will receive the full credit with a phase-out at \$50,000. If a tax filer uses married filing separately, the full credit is available up to \$20,000 with a phase-out at \$30,000. Any family who has eligible dependents, meets the income requirements, and files a tax return would be eligible for the Oregon Kids' Credit.

Consider the impact of this policy for a family making \$20,000 a year with three children. They would receive a \$3,600 Oregon Kids' Credit – boosting their income by 18%. Research shows that families like this spend expanded tax credits on their basic needs – food on the table, clothes for their kids, or catching up on back rent.

We recently spoke with parents across the state who shared why the Oregon Kids' Credit would be so important for their families. To cite just a couple of their responses:

“I frequently go without my own needs to be sure my son has everything he needs. It would be like receiving an extra hand to help.”
– Shannon, single mother

“An extra \$1,200 could pay for a month's rent and almost my full car payment in case of emergency, or help supplement the cost of food ...

Our mission is to achieve economic justice for all Oregonians through research, analysis, and advocacy.

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I work full time and feel like no matter how hard I try I just can't get ahead and this would help so much." – Felicia, single mother of a 4 year old

My colleague Tyler Mac Innis recently published a report, also in the record for this hearing, which had some really important findings on the Oregon Kids' Credit:

- More than 200,000 Oregon children will benefit from the Oregon Kids' Credit.
- Almost 20,000 Oregon children will be pulled out of poverty by it.
- The Oregon Kids Credit would help reduce disparities by race and ethnicity – disproportionately helping Black, Indigenous, and Latino children across the state.
- The Credit will benefit children in every corner and every county of the state – but will disproportionately help children living in rural communities.
- You can find the data behind these and other interesting facts – including estimates of children who would be eligible for the Oregon Kids' Credit by county in his report.

The data and the stories agree: Parents and children across the state need help affording their basic needs, and the Oregon Kids' Credit is an efficient and effective way to do it. Please advance HB 3235 and create an Oregon Kids' Credit.

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