



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

My name is Emily Walton, Policy Director for Covid Survivors for Change and I respectfully submit this testimony in support of House Bill 3235, the Oregon Kids' Credit.

The Oregon Kids' Credit is a \$1,200 refundable tax credit for each child that a low-income or working family claims on their taxes. It would provide financial support to about half a million Oregonians, including more than 200,000 children in our communities. It is targeted explicitly at the Oregonians in greatest need, the low- and middle-income families struggling most to afford rent, childcare, and other basic needs, made worse by rising costs.

When Congress expanded the federal Child Tax Credit in 2021, which COVID Survivors for Change advocated for, child poverty nationwide dropped faster than at any point in history. While most of the children who benefited were white, the enhanced tax credit disproportionately helped children of color escape poverty. As designed, the Oregon Kids' Credit would disproportionately benefit Black, Indigenous, and Latino children. In other words, a child tax credit not only reduces poverty, it also pushes back against racial inequality.

When the federal expansion ended, an estimated 190,000 Oregon children lost access to the credit. While Congress should expand its Child Tax Credit, Oregon families cannot wait for congressional action. The legislature needs to immediately reduce child poverty by passing HB 3235 and creating the Oregon Kids' Credit.

- **Reducing geographic disparities:** Analysis by the Oregon Center for Public Policy shows that while the Oregon Kids' Credit would help children in every county and every corner of Oregon, children in rural Oregon stand to benefit disproportionately.
- **Reducing racial disparities:** The Oregon Kids' Credit would help reduce disparities experienced by Black, Indigenous, and other children of color. While the credit would benefit children of every racial and ethnic group in the state, estimates by the Oregon Center for Public Policy suggest Black, Indigenous, and Latino children would disproportionately benefit.
- **Cash policies are a lifeline for families with low incomes:** In 2021, when the federal CTC was temporarily expanded, nearly 9 in every 10 low-income Oregon families receiving the CTC spent those dollars on basic needs such as food, clothing, shelter, or utilities. The Oregon Kids' Credit would similarly help these families afford these fundamental needs.

- **Many COVID survivors are experiencing financial distress:** For the [nearly 3,000](#) children in Oregon who lost parents or caregivers to COVID, COVID loss has often led to financial distress. In addition, many long haulers are unable to work due to their disabling wellness, causing financial insecurity in those families. The Oregon Kids' Credit would bring needed relief to these families.

Children and families across Oregon are struggling with economic insecurity, made worse by rising prices. The most direct way to address this is to give these families more money to afford rent, food, and other basic needs. Creating an Oregon Kids' Credit would be an effective and efficient way to deliver resources to the families in greatest need and slash child poverty.

Please support Oregon's parents and children and advance the Oregon Kids' Credit, HB 3235.

Thank you,

Emily Walton