



February 27, 2023

House Committee on Early Childhood and Human Services  
Oregon State Legislature  
900 Court Street NE  
Salem, OR 97301

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

My name is Loren Naldoza and I am writing to you today on behalf of the Oregon Housing Alliance to express our support for HB 3235, which would make meaningful changes to Oregon tax law to enhance financial stability among Oregonians across the state.

The Oregon Housing Alliance is a coalition of one hundred 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. We represent a diverse set of voices including affordable 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.

In 2021, Congress passed the American Rescue Plan Act (Pub. L. 117–2), which expanded the federal Child Tax Credit (26 U.S.C. § 24) in various ways. First, it made the credit fully refundable, enabling more families with low incomes to receive the full amount of the credit. Second, it increased the total value of the CTC from \$2,000 per child up to \$3,600 per child under age six and to \$3,000 per child between age six and seventeen. Third, half of the CTC was distributed in monthly payments from July 2021 through the end of the year.

The impacts of the CTC expansion were nothing short of life-changing. The Joint Economic Committee issued a recent report highlighting that the CTC expansion was primary driver for the “the largest single-year decline in child poverty on record.”<sup>1</sup> Importantly, these payments also reduced housing hardship, with households more likely to use these payments to catch up on housing expenses including rent or mortgage payments, which contributed greatly to promoting housing stability among families with the lowest of incomes.<sup>2</sup> The CTC expansion also lifted 5.3

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<sup>1</sup> Joint Economic Committee, *The Expanded Child Tax Credit Dramatically Reduced Child Poverty in 2021*, Nov. 20, 2022, available at [https://www.jec.senate.gov/public/\\_cache/files/dd209a98-c23b-4b2e-8478-61a55ec2b647/the-expanded-child-tax-credit-dramatically-reduced-child-poverty-in-2021-final-1-.pdf](https://www.jec.senate.gov/public/_cache/files/dd209a98-c23b-4b2e-8478-61a55ec2b647/the-expanded-child-tax-credit-dramatically-reduced-child-poverty-in-2021-final-1-.pdf).

<sup>2</sup> Leah Hamilton et al., at 8, *The impacts of the 2021 expanded child tax credit on family employment, nutrition, and financial well-being*, THE BROOKINGS INSTITUTION, April 13, 2022, available at <https://www.brookings.edu/research/the-impacts-of-the-2021-expanded-child-tax-credit-on-family-employment-nutrition-and-financial-well-being/>.

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million people (including 2.9 million children) out of poverty in 2021, and the rate of child poverty fell from to 5.2% (from 9.7% in the previous year).<sup>3</sup>

Despite the clearly high return on investment, and the strong support among both chambers of Congress, the CTC expansion expired at the end of 2021. The Oregon Kids' Credit, (**HB 3235**), seeks to implement this good investment in Oregon's tax code. The bill would specifically create a refundable tax credit of \$1,200 per eligible child (age 17 and under) every year to help eligible Oregon families struggling with the rising costs of raising kids, and would have the effect of lifting up more than 200,000 children (or three out of ten) in our state out of poverty.

It is expensive to be poor, but we know from lessons learned during the pandemic how to overcome many of the financial hardships that families across Oregon face. **HB 3235** is the product of one such lesson.

We urge your support for this important piece of legislation.

Sincerely,

Loren Naldoza  
Oregon Housing Alliance

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<sup>3</sup> U.S. Census Bureau, *Expansions to Child Tax Credit Contributed to 46% Decline in Child Poverty Since 2020*, Sep. 13, 2022, available at <https://www.census.gov/library/stories/2022/09/record-drop-in-child-poverty.html>.

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