



Senate Committee on Human Services

March 8, 2023

SB 438 Testimony

Chair Gelser Blouin, Vice-Chair Robinson, and Members of the Committee,

My name is Tyler Mac Innis, Policy Analyst for the Oregon Center for Public Policy, and I respectfully submit this testimony on SB 438 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.

SB 438 would require the Oregon Department of Human Services to seek a waiver from the U.S. Department of Agriculture allowing Oregon's Working Family and Dependent Care Credit to be delivered in monthly advance payments without counting as income for the purposes of determining a family's Supplemental Nutrition Assistance Program (SNAP) benefits.

Moving towards monthly advance payments of state tax credits is a good idea. When Congress temporarily expanded the federal Child Tax Credit (CTC) in 2021, it offered a portion of a family's credit in monthly advance payments. Combined with making the CTC larger and fully refundable for the lowest income families, the monthly nature of the expanded CTC helped millions of families navigate an uncertain economic recovery. As household expenses arrived on a monthly basis, a portion of a family's CTC was available to them in real time to pay the bills.

Currently, Oregon faces a federal barrier in the way of replicating this success. Federal law would count state tax credits delivered monthly as income for the purposes of determining a household's eligibility for many public benefits programs.¹ As a result, a household could find itself worse off without a thorough plan for how to implement monthly disbursement of state tax credits.

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

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While SB 438 would make a first step towards monthly disbursement of state tax credits, the bill as drafted does not include other critical poverty-reduction tax credits like the Oregon Earned Income Credit, or the hopefully soon-to-be-enacted Oregon Kids' Credit (HB 3235). Moreover, while the bill would attempt to protect SNAP benefits for families receiving monthly state tax credits, other critical benefits programs such as Housing Choice Vouchers and other housing programs, Temporary Aid for Needy Families (TANF), the Oregon Health Plan, and others could be impacted.

SB 438 raises an important issue the state should pursue further. We are committed to working with Senator Hayden, the Oregon Department of Human Services, the Oregon Department of Revenue, and any other interested parties to chart the path forward on this critical topic.

¹ Protecting public benefits for households receiving monthly state tax credits is something that researchers evaluating guaranteed income pilot projects have explored considerably in recent years. For an overview of how state tax credits delivered monthly would impact certain public benefits, see "State Considerations: Benefits Protection" in [States Lead the Way: Reimagining the Social Safety Net Through Implementation of a Guaranteed Income](#), Economic Security Project and Shriver Center of Poverty Law, April 13, 2022.

