




February 3, 2026

The background of the slide is a photograph of a grocery store aisle. A woman with long blonde hair, wearing a light-colored patterned dress, is seen from behind, pushing a black shopping basket. A young child is standing next to her, also looking at the shelves. The shelves are filled with various food items, including boxes of cereal and bags of rice. The entire image is overlaid with a semi-transparent blue filter.

Oregon Can Respond to the Affordability Crisis by Expanding the Oregon Earned Income Tax Credit

by Tyler Mac Innis

Working families across Oregon are struggling to afford the rising cost of living — the cost of housing, food, and other essentials. That situation was made worse last July when Congress passed H.R. 1, a massive package of tax cuts overwhelmingly favoring the rich and corporations, paid for in part by historic cuts to federal safety net programs that feed families and help them access healthcare.

One important step that state lawmakers can take to address the affordability crisis facing hardworking Oregon families is strengthening Oregon's Earned Income Tax Credit (EITC).

The EITC is a refundable tax credit that boosts the incomes of working families. A modest increase in the Oregon EITC by 5 percentage points would send some \$26 million to hardworking Oregonians, helping struggling families cope with the rising cost of living.

The EITC is a proven tool to boost economic security

The EITC is the largest anti-poverty program in the Oregon tax code, helping nearly 230,000 working families struggling to make ends meet every year. The EITC is a refundable tax credit, meaning if the value of a family's credit exceeds the amount of taxes they owe, the difference is returned to them in the form of a tax refund. The refundable nature of the EITC makes it an efficient means of putting dollars into the pockets of working families struggling to get by.

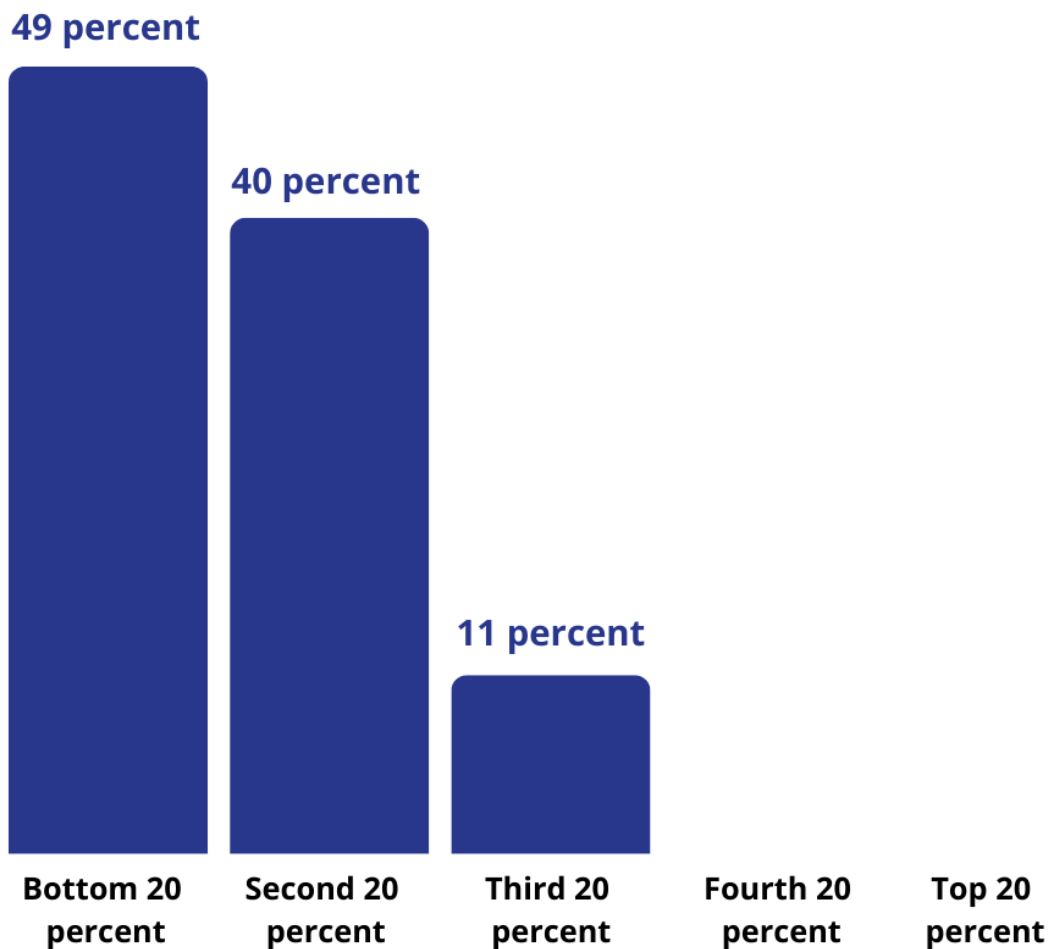
The amount of EITC a family is eligible for varies based on their income, marital status, and how many children they have. For low-income families with multiple children, the federal EITC can be worth more than \$8,000 when they file their taxes. [1] Oregon's EITC functions as a percentage of a filer's federal credit. The state offers a nine percent match of the federal for most filers, except for families with children under age 3 who receive a 12 percent match. [2] The Oregon EITC delivers more than \$50 million to working families each year. [3]



The EITC efficiently steers cash to the families struggling most with the rising cost of living. Nearly 9 of every 10 dollars of an increase in the EITC would flow to the bottom 40 percent of Oregonians. About half that would flow to the bottom 20 percent of Oregonians.

EITC targets families struggling to get by

Share of total EITC benefit by quintile



Source: OCPP visualization of Institute on Taxation and Economic Policy analysis.



The broad benefits of the EITC are well documented. The federal EITC helps lift about 68,000 Oregonians, including 34,000 children, out of poverty each year. [4] For children, the EITC has a lasting impact. A substantial body of research shows that tax credits such as the EITC improve child health, boost school performance, promote college enrollment, and increase earnings when children become adults. [5]

The benefits of increases to the EITC extend beyond the families who claim the credit themselves. Eligible families tend to spend their EITC refunds quickly at local businesses, as they make purchases to meet their basic needs. This spending generates more economic activity. Researchers estimate that each federal EITC dollar results in \$1.40 to \$1.58 in activity in the economy, as local businesses use EITC dollars to purchase goods and services and pay employees, and employees spend their earnings. [6]

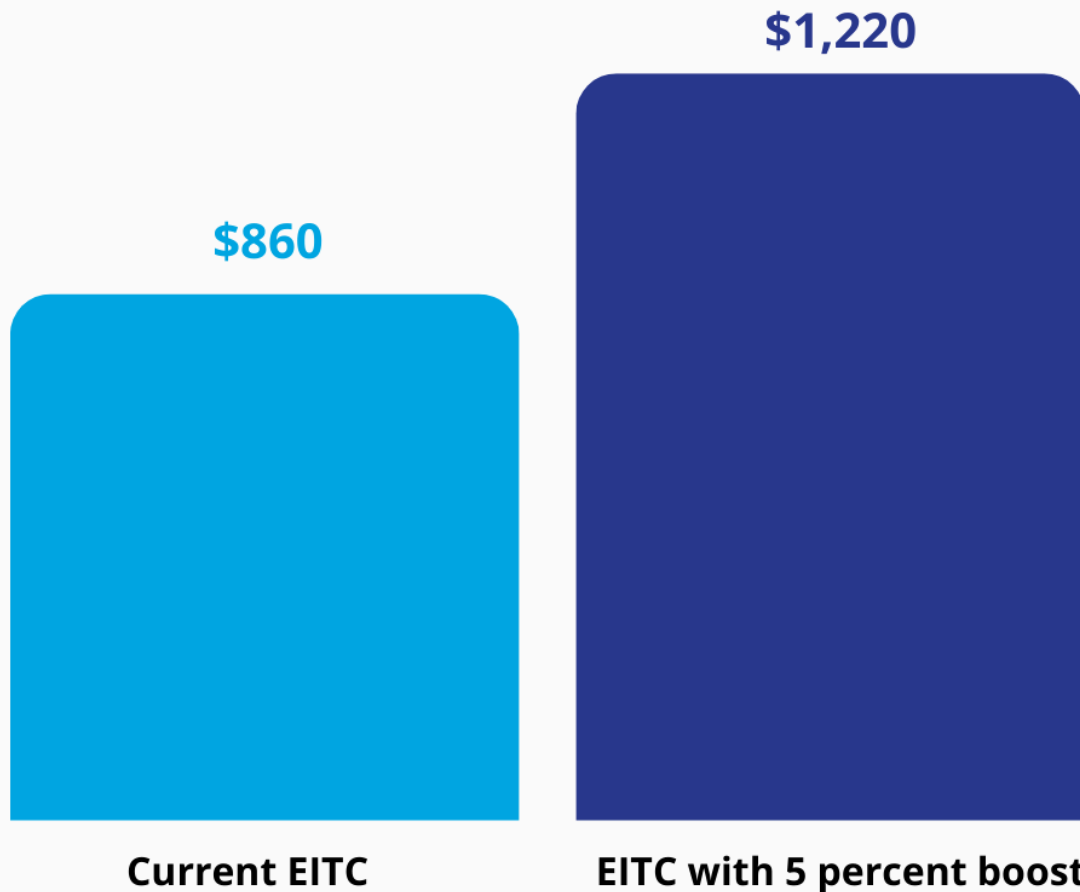
Boosting the EITC would steer much needed resources to hardworking Oregonians

What would increasing the EITC by 5 percentage points mean for Oregon families? Consider a married couple with two kids ages four and two living in Malheur County. One parent works full time at a job that pays \$14.05 per hour, the minimum wage for rural Oregon, while the other parent stays home to care for the children. Under current law, they would qualify for an Oregon EITC worth about \$860. Increasing Oregon's match of the federal EITC by just 5 percentage points would boost this family's Oregon EITC to nearly \$1,220, helping them better afford groceries, utility bills, and other essentials.



EITC boost helps families afford the basics

EITC for family of four under current law and with 5 percent boost



Note: Example above for a family with two parents and two children, one under age three. Assumes one parent works full-time at the minimum wage rate for rural Oregon counties.

Source: Oregon Center for Public Policy.



Conclusion

The EITC is a proven way to efficiently steer additional cash to hardworking Oregonians. Increasing the state's match of the federal EITC would better help those families make ends meet.



Appendix A: Impacts of Boosting the EITC by County

Boosting the EITC benefits Oregon families in every county

County	Households benefiting from EITC	Total \$ with 5 percentage point boost to EITC
Baker	1,110	\$432,000
Benton	3,580	\$1,134,000
Clackamas	16,600	\$5,836,000
Clatsop	2,380	\$837,000
Columbia	2,600	\$921,000
Coos	4,520	\$1,718,000
Crook	1,470	\$575,000
Curry	1,560	\$548,000
Deschutes	9,360	\$3,204,000
Douglas	7,830	\$3,024,000
Gilliam	140	\$44,000
Grant	450	\$168,000
Harney	560	\$221,000
Hood River	1,450	\$525,000
Jackson	15,040	\$5,603,000
Jefferson	1,780	\$697,000
Josephine	6,770	\$2,570,000
Klamath	5,540	\$2,178,000
Lake	550	\$206,000
Lane	21,780	\$7,611,000
Lincoln	3,140	\$1,114,000
Linn	7,820	\$2,966,000
Malheur	2,590	\$1,081,000
Marion	21,500	\$8,491,000
Morrow	750	\$302,000
Multnomah	43,510	\$14,983,000
Polk	4,530	\$1,718,000
Sherman	130	\$38,000
Tillamook	1,620	\$580,000
Umatilla	5,400	\$2,173,000
Union	1,690	\$652,000
Wallowa	440	\$149,000
Wasco	1,680	\$631,000
Washington	23,910	\$8,595,000
Wheeler	110	\$28,000
Yamhill	5,260	\$1,953,000

Source: OCPP analysis of Internal Revenue Service data. • Created with Datawrapper

Appendix B: Impacts of Boosting the EITC by Senate District

Boosting the EITC helps families in every Senate District

Senate District	Households benefiting from EITC	Total \$ with 5 percentage point boost to EITC
1	9,903	\$3,760,000
2	10,421	\$3,940,000
3	9,600	\$3,576,000
4	8,100	\$2,830,000
5	8,560	\$3,091,000
6	8,321	\$3,040,000
7	8,041	\$2,809,000
8	6,774	\$2,386,000
9	8,100	\$3,139,000
10	8,301	\$3,236,000
11	8,841	\$3,491,000
12	7,015	\$2,619,000
13	5,621	\$2,013,000
14	6,318	\$2,228,000
15	5,600	\$2,012,000
16	7,493	\$2,656,000
17	6,478	\$2,274,000
18	5,588	\$2,008,000
19	6,009	\$2,109,000
20	5,588	\$1,964,000
21	6,969	\$2,411,000
22	7,584	\$2,611,000
23	7,466	\$2,571,000
24	7,252	\$2,501,000
25	7,519	\$2,589,000
26	6,723	\$2,405,000
27	6,625	\$2,268,000
28	9,655	\$3,663,000
29	9,266	\$3,617,000
30	9,429	\$3,682,000

Source: OCPP analysis of Internal Revenue Service data. • Created with Datawrapper

Appendix C: Impacts of Boosting the EITC by House District

Boosting the EITC helps families in every House District

House District	Households benefiting from EITC	Total \$ with 5 percentage point boost to EITC
1	4,900	\$1,828,000
2	5,003	\$1,933,000
3	5,432	\$2,061,000
4	4,989	\$1,878,000
5	4,798	\$1,787,000
6	4,802	\$1,789,000
7	4,045	\$1,413,000
8	4,055	\$1,417,000
9	4,591	\$1,706,000
10	3,970	\$1,384,000
11	4,267	\$1,623,000
12	4,054	\$1,417,000
13	4,001	\$1,398,000
14	4,040	\$1,411,000
15	4,120	\$1,544,000
16	2,654	\$840,000
17	4,393	\$1,729,000
18	3,706	\$1,410,000
19	4,418	\$1,745,000
20	3,883	\$1,491,000
21	4,429	\$1,750,000
22	4,412	\$1,743,000
23	3,570	\$1,338,000
24	3,445	\$1,281,000
25	2,836	\$1,019,000
26	2,785	\$993,000
27	2,800	\$1,007,000
28	3,518	\$1,221,000
29	2,790	\$1,003,000
30	2,809	\$1,010,000

House District	Households benefiting from EITC	Total \$ with 5 percentage point boost to EITC
31	3,357	\$1,192,000
32	4,136	\$1,465,000
33	3,671	\$1,266,000
34	2,807	\$1,008,000
35	2,795	\$1,004,000
36	2,793	\$1,004,000
37	2,771	\$982,000
38	3,238	\$1,125,000
39	2,784	\$979,000
40	2,804	\$986,000
41	3,232	\$1,124,000
42	3,738	\$1,287,000
43	3,777	\$1,300,000
44	3,807	\$1,311,000
45	3,733	\$1,286,000
46	3,733	\$1,286,000
47	3,733	\$1,286,000
48	3,519	\$1,216,000
49	3,759	\$1,295,000
50	3,759	\$1,295,000
51	2,805	\$986,000
52	3,917	\$1,418,000
53	3,323	\$1,137,000
54	3,302	\$1,131,000
55	4,507	\$1,692,000
56	5,148	\$1,971,000
57	4,678	\$1,828,000
58	4,588	\$1,789,000
59	4,165	\$1,573,000
60	5,264	\$2,109,000

Source: OCPP analysis of Internal Revenue Service data. • Created with Datawrapper

Endnotes

[1] Internal Revenue Service, Earned Income Tax Credits (EITC) tables, accessed January 14, 2026.

[2] State of Oregon, Tax Expenditure Report 2025-27, p. 132.

[3] Ibid.

[4] Center on Budget and Public Policy analysis of CPS public use files from the U.S. Census Bureau, with corrections to underreporting of benefits from TRIM (Urban Institute/HHS).

[5] Chuck Marr, et al., The EITC and Child Tax Credit Promote Work, Reduce Poverty, and Support Children's Development, Research Finds, Center on Budget and Policy Priorities, October 1, 2015.

[6] Antonio Avalos, Sean Alley, The Economic Impact of the Earned Income Tax Credit (EITC) in California, The California Journal of Politics & Policy, 2010, Vol. 2, Issue 1. Also, Targeted Messages Why me? EITC and Other Refundable Credits, IRS.

