



June 10, 2019

To: Joint Committee on Tax Expenditures Co-Chairs
Re: Renew & Raise Oregon's Earned Income Tax Credit (HB 2164)

Co-Chairs Hass and Nathanson:

I submit this letter on behalf of the Oregon Business Council's Poverty Reduction Task Force.

The Task Force appreciates the difficult task that you have to prioritize resources across many worthy objectives. We know that it is not easy. As you take on this responsibility, we'd like to share with you why we think renewing and raising Oregon's Earned Income Tax Credit should be a top priority.

OBC's Poverty Task Force began its work in 2013 to identify strategies to substantially reduce poverty in Oregon. We quickly identified the EITC as one of the most effective tools to do so. We also learned that Oregon's EITC rate is among the lowest in the U.S., even though Oregon has high income tax rates that kick in at low income levels.

With the EITC up for renewal this year, we believe it is important to take this opportunity to not only renew the credit, but also to raise it and give a boost to Oregon's low-income working families.

The EITC is crucial for strengthening low-to moderate-income families' economic security. The research on the EITC shows that it improves pro-social outcomes across the board including health, educational achievement, earning potential, and recidivism. The legislature recently passed the Student Success Act to improve educational outcomes. Investments in education will go much farther if students have their needs met at home. Better able to make ends meet, families can spend more time supporting their children and planning for their future. The EITC has been shown to correlate with a boost in high school graduation and college enrollment for low-income students. A parent can work part-time, go to school part-time and qualify for the EITC. The EITC is a unique resource that can fill in gaps where financial aid does not.

As leaders that have grown and operated our businesses in Oregon, we believe that our success is inextricably linked to the success of all Oregonians. While we seek to develop career pathways within our businesses, there are still many Oregonians that are working but struggling to make ends meet. As the cost of living in Oregon is on the rise, the EITC becomes even more important. Renewing and raising the EITC will go a long way in supporting residents as they seek to move up the economic ladder towards stability and prosperity, resulting in a better Oregon for us all.

Thank you in advance for prioritizing renewing and raising Oregon's Earned Income Tax Credit this session.

Sincerely,

A handwritten signature in black ink, appearing to read 'Duncan Wyse', written in a cursive style.

Duncan Wyse
President, Oregon Business Council