

## Testimony in Support of HB 2819

Chair Nathanson, Vice-Chairs Pham and Reschke and Members of the Committee:

My name is Janet Bauer, Senior Policy Analyst with the Oregon Center for Public Policy. I respectfully submit this testimony in support of House Bill 2819.

Oregon denies certain tax filers from benefiting from our state's Earned Income Tax Credit based on their immigration status. My recent research into the impact on mixed status households finds that the exclusion additionally harms an even larger group — far more Oregonians than we've previously understood.

### The EITC bars 273,000 Oregonians, many in mixed-status families

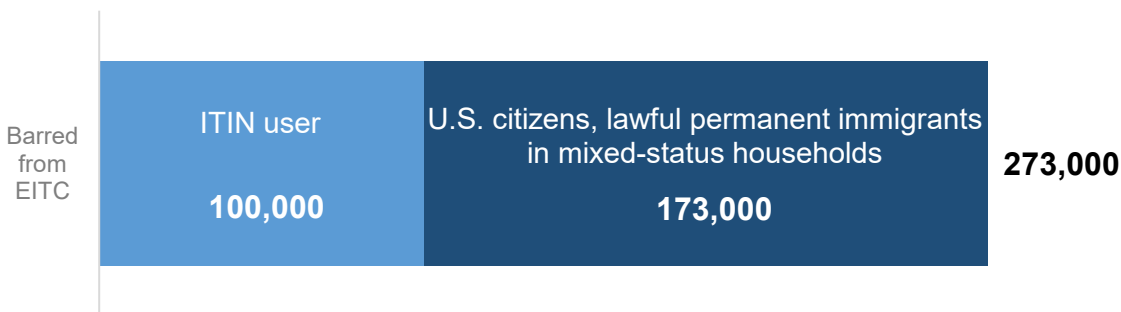
Federal law explicitly bars workers who use an Individual Taxpayer Identification Number (ITIN) to file their taxes — workers who are undocumented, student visa holders, some survivors of domestic violence, and others.<sup>1</sup> Oregon uses federal eligibility rules for its own EITC.

Further, the federal EITC excludes the entire filing group if just one person uses an ITIN number. In effect, the EITC excludes everyone in mixed-status households — that is everyone who lives with an ITIN user. The rule ends up denying the EITC to many U.S. citizens and lawful permanent immigrant spouses and children.

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### The EITC bars a quarter million Oregonians who use an ITIN and their family members

Ineligible for the Earned Income Tax Credit due to using an ITIN or being a family member; all ages



ITIN is an acronym for Individual Taxpayer Identification Number, which is issued by the Internal Revenue Service.

A mixed-status household includes both people who use an ITIN number and use a Social Security Number.

Source: Analysis of data from Migration Policy Institute; Center for American Progress.

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The wide net of ITIN exclusion ensnares many in Oregon, depriving residents of the credit's substantial economic and social benefits.<sup>2</sup> Besides barring all 100,000 ITIN users, the policy excludes 173,000 U.S. citizen and lawful permanent immigrant family

members living with them.<sup>3</sup> In total, the EITC excludes over a quarter million Oregonians — 7 percent of the state’s population.

### The exclusion harms one in ten Oregon children

The exclusionary policy makes a casualty of the many Oregon children living in mixed-status households — all told, one in 10 Oregon children. While 6,000 are ITIN users, 66,000 are U.S. citizens, and another 14,000 are lawful permanent immigrants.

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### Most children excluded from the EITC live in mixed-status families



Source: OCPP analysis of Center for American Progress and U.S. Census data.

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Oregon children living in mixed-status households do not experience the benefits of an EITC income boost, support that helps them do better in school and makes it more likely they will graduate from high school, go on to college, and earn more adults.

### The excluded pay millions in state and local taxes

Oregonians excluded from the EITC contribute to the common good in many ways, including through the taxes they pay. Many U.S. citizens and lawful permanent immigrants in mixed-status households pay taxes. ITIN filers in Oregon also pay millions in state and local taxes each year. Specifically, they pay a total of \$81 million in property taxes, state income taxes, and sales and excise taxes.<sup>4</sup> This does not include the federal income or payroll taxes they also pay.

For these reasons, I respectfully urge you to approve House Bill 2819.

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### Endnotes

<sup>1</sup> ITIN filers include undocumented workers, student visa holders, some spouses and children of people with employment visas, and some survivors of domestic violence. See “Facts about the Individual

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Taxpayer Identification Number,” National Immigration Law Center, available at <https://www.nilc.org/issues/taxes/facts-about-the-itin/>.

<sup>2</sup> The extensive research showing enduring benefits for adults and children is summarized in *EITC and Child Tax Credit Promote Work, Reduce Poverty, and Support Children’s Development*, Center on Budget and Policy Priorities, October 1, 2015, available at <https://www.cbpp.org/research/federal-tax/eitc-and-child-tax-credit-promote-work-reduce-poverty-and-support-childrens>.

<sup>3</sup> OCPP analysis of data on the Oregon undocumented population from the Migration Policy Institute, available at <https://www.migrationpolicy.org/programs/us-immigration-policy-program-data-hub/unauthorized-immigrant-population-profiles>; and data on family members of unauthorized immigrants from Center for American Progress, available at <https://www.americanprogress.org/issues/immigration/news/2017/03/16/427868/state-state-estimates-family-members-unauthorized-immigrants/>.

<sup>4</sup> Undocumented Workers Pay Millions in Oregon Taxes and Would Pay Millions More under Immigration Reform, OCPP, April 17, 2017, available at <https://www.ocpp.org/2017/04/17/undocumented-workers-pay-taxes/>.