



March 25, 2021

To: Sen Gelser, Chair, Senate Committee on Human Services, Mental Health and Recovery

From: Leslie Sutton, Oregon Developmental Disabilities Coalition

RE: Support for SB 142 and 144, Extending the sunset for tax credits for a child with a disability and extending sunset for additional personal exemption credit for taxpayers with severe disability

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Chair Gelser and Members of the Committee:

The Oregon Developmental Disabilities Coalition (DD Coalition) is a group of approximately 40 organizations and individuals across Oregon that come together to advocate for the services to further the values outlined in ORS 427.007: to support people with intellectual or developmental disabilities (IDD) to exercise self-determination, living and working in the most integrated community settings, and providing services for families to raise their children at home. Our members represent advocacy groups (including self-advocacy organizations), family peer supports, DD residential providers, DD supported employment providers, and Support Services Brokerages.

Everyone benefits when people have the support they need to live a healthy and fulfilling life as a member of their community. The DD Coalition supports SB 142 and 144 because these bills extend the sunset on the tax credits for families with children with disabilities and also for people with severe disabilities.

The policy behind these tax credits is based on a recognition that living with disabilities is more costly than living without disabilities. The tax credits exist to provide financial relief and offset costs associated with disabilities.<sup>1</sup> As a practical matter, we know this to be true. Many DD Coalition members, their families and the people they support use these tax credits as a small offset for their disability related expenditures.

The annual costs of having a child with a disability vary depending on the disability needs. One study estimates the direct and indirect costs averaging \$10,000 per year with an upper estimate at \$25,000 per year. When increased Medicaid, SSI, Special Education and other public

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<sup>1</sup> Oregon Legislative Revenue Office, Tax Credit Review: 2021 Session, Research Report #2-21, [https://www.oregonlegislature.gov/lro/Documents/Tax%20Credit%20Report%202021%20updated%203\\_9.pdf](https://www.oregonlegislature.gov/lro/Documents/Tax%20Credit%20Report%202021%20updated%203_9.pdf) Accessed March 25, 2021.



assistance is factored in, the average costs climbs to \$30,000 per year and upper estimate at \$65,000 per year.<sup>2</sup>

These are substantial costs which can represent a large portion of the individual's or family's annual income. Individuals and families with disabilities experience direct monetary costs, but also experience indirect costs through such things as a decline in work hours, reduced workforce participation, and therefore reduced earnings. Appropriate day care with adequate supports for a child with a disability can often be very difficult to find. Many families must have one member stay home or reduce their work hours to care for the child with a disability.

Adults with disabilities historically struggle in the American workforce. The US Bureau of Labor Statistics February 2020 data shows that only 17.9% of people with disabilities are employed compared to 61.8% of people without disabilities.<sup>3</sup> Despite this statistic, Oregonians with intellectual and developmental disabilities want to work and have high expectations of themselves and of Oregon to make this happen.<sup>4</sup> In response, for several years, Oregon has been transforming its IDD support system to facilitate employment opportunities for people with IDD in their communities for minimum wage and higher. These tax credits can support this movement by offsetting a small portion of the disability-related costs these individuals incur in their life as they become employed taxpayers.

The reality is that these tax credits only offset a small portion of the actual direct and indirect costs experienced by individuals with severe disabilities and families who have children with disabilities, but they are an important step toward putting those who benefit on equal footing with other tax paying citizens. We urge you to extend the sunsets on these important tax credits and support SB 142 and SB 144.

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<sup>2</sup> Stabile, Mark, and Sara Allin. "The Economic Costs of Childhood Disability." *The Future of Children*, vol. 22, no. 1, 2012, pp. 65–96. *JSTOR*, [www.jstor.org/stable/41475647](http://www.jstor.org/stable/41475647). Accessed 25 Mar. 2021.

<sup>3</sup> US Bureau of Labor Statistics, US Department of Labor, Persons with a Disability: Labor Force Characteristics – 2020. USDL-21-0316, <https://www.bls.gov/news.release/pdf/disabl.pdf>. Feb. 24, 2021. Accessed March 25, 2021.

<sup>4</sup> 2018 Oregon Family to Family Network periodic progress reports and survey, 82% of parents with children with disabilities believe their child will have a paying job. 2017-2018 Oregon National Core Indicators, 55% of adults with IDD who did not have an integrated job at minimum wage and above wanted one. <https://www.nationalcoreindicators.org/charts/2017-18/?i=14&st=OR> Accessed March 25, 2021.