

**Testimony in Support of HB 4117**  
**Daniel McAvoy**  
**February 1, 2022**

Chair Williams, Vice Chairs Ruiz and Sharf, and Members of the Committee:

Thank you for the opportunity to provide testimony in support of House Bill 4117. My name is Daniel McAvoy and I am submitting this testimony on behalf of NeighborWorks Umpqua VITA Program which has sites in Roseburg, Coos Bay/North Bend, Reedsport, and Beaverton. We are writing to offer support for House Bill 4117 because we know that the Earned Income Tax Credit (EITC) is one of the most effective programs to help individuals and families transition from poverty to self-sufficiency. This bill would enable culturally specific and responsive community-based organizations, tribal governments, and rural communities better assist their clients in accessing critical tax support and navigation resources.

The rural communities in Oregon are especially challenged when it comes to accessing the opportunities available to taxpayers. Our program serves a demographic that is far behind the norm in terms of technological availability and understanding. Many of our clients have no computer, printer, or even a cell phone. Without our services hundreds of our clients would be unable to navigate the tax requirements and simply cease to file.

And these are the taxpayers that need the EITC benefit the most.

According to a study by Chapin Hill from the University of Chicago a \$1000 EITC benefit on a tax return decreases the use of Child Protective Services (CPS) an average of 10%. This in turn saves the state thousands of dollars. This is a clear indication that assisting taxpayers to file their taxes is a benefit to us all.

Oregon has passed several critical policies to expand access to the EITC and improve its uptake including expanding access to ITIN filers in the 2020 session and renewing and raising the credit in 2019.

These were essential first steps to ensuring Oregonians had access to these critical tax credits, but our current network for culturally specific, culturally responsive, and rural providers is under resourced and in need of expansion and innovation. A sustainable grant funding program that increases the capacity of these providers is imperative to maximize the EITC take-up rate and improve access to other tax credits and payments available to low-income families. Specifically, HB 4117 will:

- Fund new infrastructure through capacity grants in geographically diverse communities to deliver tax preparation and tax navigation services to expand access to benefits
- Significantly improve recruitment and retention of qualified tax preparers, both volunteer and paid
- Strengthen the technology and training systems for delivering tax preparation
- Strengthen taxpayer outreach, education, and connection to communities by culturally specific, culturally responsive, tribal governments, and rural partners

Every Oregon family eligible for these credits deserves access to free tax preparation and navigation resources so they can access these credits. NeighborWorks Umpqua urges your support for HB 4117.

Sincerely,

Daniel McAvoy  
NeighborWorks Umpqua VITA Program