



February 2, 2022

House Committee on Human Services
900 Court St. NE, Room 453
Salem, OR 97301

RE: Letter in Support of HB 4117

Dear Chair Williams, Vice-Chairs Ruiz and Scharf, and Members of the Committee:

Thank you for the opportunity to share my strong support of HB 4117, which improves access to tax navigation and preparation programs for low-income workers, families, and traditionally underserved communities.

The earned income tax credit (EITC) is one of the most important programs available to reduce and prevent poverty in the United States. A substantial body of research shows that tax credits such as the EITC improve child health, boost educational performance, and increase earnings when children become adults. According to the U.S. Census Bureau, refundable tax credits like the EITC and child tax credit (CTC) lifted more than 4.7 million American children out of poverty in 2019, more than any other government program. That number could be even higher if more eligible households participate.

Although the EITC is integral to reducing poverty, Oregon consistently has one of the lowest EITC participation rates nationally. In 2018, the year with the most recent data on EITC participation, Oregon's participation rate was second lowest in the country. About 75,000 Oregon working families who were eligible for the EITC in 2018 did not access it, missing out on approximately \$84 million federal dollars that year alone.

The City of Beaverton's *Diversity, Equity, and Inclusion Plan* lists increasing the EITC participation rate as an important goal in reducing the racial wealth gap. To that end, the City partners with CASH Oregon and Metropolitan Family Services to provide free tax preparation and filing assistance – in multiple languages – to low-income individuals and families every year from February through April. In FY 2020-21, this program assisted 200 taxpayers who received the EITC and generated \$1.6 million in refunds to the Beaverton community.

Households eligible for the EITC continue to face numerous barriers to claiming the credit, including geography, language, lack of awareness of the credit, and complexity of the tax process. This bill will strengthen the current tax assistance network and fund culturally specific and responsive providers to help taxpayers become aware of benefits, navigate the system, and file returns. It's estimated that a \$4 million investment this short session would add up to \$73 million annually to the pocketbooks of low-income Oregonians, a significant return on investment.

Thank you again for the opportunity to share my support for HB 4117. Please feel welcome to contact me for additional information.

Sincerely,

A handwritten signature in black ink that reads "Lacey Beaty". The signature is written in a cursive, flowing style.

Lacey Beaty
Mayor