



February 3, 2022

House Committee on Human Services
900 Court Street NE
Salem, OR 97301

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

Thank you for the opportunity to write to you in favor of HB 4117. My name is Loren Naldoza, and I have the privilege of writing on behalf of the Oregon Economic Justice Roundtable.

The Oregon Economic Justice Roundtable (OEJR) is a shared table of advocates, non-profit organizations and funders, working to advance collective, sustained action for racial and economic justice. We believe we need to create an environment and systems of abundance by and for Black, Indigenous, Latinx, Asian, and all communities of color so that all Oregonians can live beyond the basics of safety and security, and into the freedom to actualize dreams, and communities have the power to control their own financial and economic destiny.

HB 4117 would provide funding for tax preparation services for low-income households, communities of color, and rural communities. In addition to the purpose filing taxes, HB 4117 highlights the importance of the benefits that go along with filing taxes as well as the unique issues with Oregonians being able to access those benefits.

The earned income tax credit (EITC), for example, is one of the largest anti-poverty programs that provides cash to families in the form of a refundable tax credit. Workers (particularly those with dependent children) who qualify based on their income levels are able to take advantage of this important program to receive an extra boost in savings during the tax season. Congress has recently added benefits for tax year 2021 due to temporary changes made by the American Rescue Plan Act of 2021 (P.L. 117-2). These changes include the expansion of the EITC for individuals with no dependents, raising their potential maximum EITC from \$543 to \$1,502.

Unfortunately, Oregon has a history of poor performance in EITC participation, with Oregon ranking second worst in EITC participation rates according to most recent data from the Internal Revenue Service. This means that roughly 75,000 Oregon families who were eligible for the EITC in 2018 did not access it.¹

¹Janet Bauer, "Oregon Remains Near the Bottom in Use of the EITC", *Oregon Center for Public Policy*, January 2022, available at <https://www.ocpp.org/2022/01/27/oregon-bottom-use-eitc/>.

With tax season in full swing, Oregonians would greatly benefit from additional resources to be prepared to receive substantial tax benefits, and to become aware of those benefits that are available to them depending on their circumstances.

The Oregon Economic Justice Roundtable urges your support of HB 4117.

Thank you,

Loren Naldoza
Legislative & Communications Manager
Neighborhood Partnerships