



House Early Childhood & Human
Services Committee
February 13, 2025

Testimony in Support of House Bill 2991

Chair Hartman, Vice-Chairs Scharf and Nguyen, and Members of the Committee,

My name is Daniel Hauser, Deputy Director for the Oregon Center for Public Policy, and I respectfully submit this testimony in support of HB 2991 on behalf of the Center. The Oregon Center for Public Policy is a nonpartisan think tank that uses research and analysis to improve the economic outcomes for all Oregonians, especially for those struggling to make ends meet.

Our state and federal tax codes are essential systems to address economic insecurity. Still, taxes can be complicated, and many people feel overwhelmed by the prospect of filling them out, causing them to miss out on sometimes thousands of dollars in tax refunds. To fill in this gap, Oregon created the Tax Infrastructure Grant program in 2022 to provide resources to organizations helping families fill out their taxes. This is a crucial part of the puzzle, along with simplifying the tax system and providing free and secure tax filing options directly with the IRS and Oregon Department of Revenue.

Free tax help makes a big difference for working families. Many people struggle to understand tax forms, and without help they might not get the money they should. For some families, getting this free help means they will claim the credits they are eligible for instead of missing out. A working family with three kids can get nearly \$8,000 from the federal Earned Income Tax Credit (EITC) – enough to help cover their rent or other expenses for several months. Oregon’s state EITC would kick in even more, as would other refundable tax credits.

The EITC and other refundable tax credits at the state and federal level are some of the best tools we have for reducing poverty. These credits help families make ends meet and cover basic needs like rent, food, and child care. Sadly, many Oregonians who qualify do not claim these credits, leaving behind millions of dollars. The Oregon Center for Public Policy has estimated nearly \$100 million is left on the



table each year from just the federal EITC. This figure does not include dollars from the Child Tax Credit and other tax credits. It also doesn't include money that families overpaid in tax withholdings, funds that don't get refunded unless they file a tax return. The Tax Infrastructure Grant program helps fix this problem by supporting groups that offer trusted, easy-to-access tax filing services.

Spending more on this program is a smart choice. Every dollar put into free tax services leads to more people claiming the credits they are eligible for, bringing more financial stability to families. Figures show that every dollar spent on the program returns far more to Oregon families. And when families have more money, they can spend it in their communities, helping local businesses and boosting the economy.

Right now, there aren't enough funds to meet the demand for free tax help. Increasing funding will allow more organizations to help more people, especially in communities currently poorly served, making sure every Oregonian who qualifies gets the refunds and credits they have earned.

Please increase investment in Oregon's Tax Infrastructure Grant program and strengthen economic security for working families across Oregon – vote in favor of HB 2991.

