



**SB 467: Creating a new tax credit for child care workers**

Senate Finance and Revenue – John Calhoun – 2.19.2025

My name is John Calhoun and I am representing Tax Fairness Oregon, a network of volunteers who advocate a rational and equitable tax code.

I commend Senator Weber on her concerns about child care workers. As a society we do not compensate these workers enough. A tax credit up to \$2,000 per year is a way to provide some additional compensation for a group that deserves higher wages and to increase the pool of available staff. I also like the inclusion of these employees in the Oregon Saves program.

Senator Weber has stated that she intends the bill to be for non-government funded care. This will reduce the number of eligible workers from the way the bill is currently drafted. The Oregon Employment Department estimated that we had over 12,000 workers in this category at the end of 2022. They also estimated then that the average wage was above \$30,000. If every worker applied, the average tax credit would be above \$1,500 and the total lost revenue would be \$18 million per year or \$36 million per biennium. Senator Weber's amendment would reduce this amount.

I would also like to point out that there is already competition between the various programs like Head Start, Pre-school for all, Oregon Promise and other categories for workers. Any amendment should consider how this tax credit impacts the various programs that will not be eligible for this credit. We do not want to add to staff turnover.

HB 467 will add to the many other bills seeking tax credits or tax expenditures at a time when we already have a budget deficit and are having difficulty finding funds for wildfire prevention and suppression. The looming budget cuts to the \$41 billion in federal funds expected by the Governor's budget in the next biennium will add to the stress. We cannot afford all those seeking tax credit additions or increases for volunteer firefighters, rural medical providers, film production, and child care workers. Clearly child care is essential to the workers who need care to go to work, so perhaps this should be the priority, should we have money for additional spending.

So, while TFO understands the key role child care workers play in both our economy and our society we remain concerned with adding another employment category to the tax credit basket. Regardless of how this starts, there will be pressure over time to continue this credit regardless of changes in our economy and to expand these tax credits in both scope and amount. We have seen this already this session with the many bills before this committee seeking to expand coverage of rural medical providers and to increase the amount of their credit. Each one of these programs reduces revenues for the programs legislators claim are their priorities.

***We read the bills and follow the money***