

Department of County Human Services



February 18, 2025

Chair, Annessa Hartman
House Committee on Early Childhood and Human Services
900 Court Street, NE
Salem, OR 97301

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

We are writing in support of HB 2991, which sustains and increases the state's investment in its Tax Infrastructure Grant program. This investment would expand the number of working families who have support to file their taxes and claim tax credits they are eligible for.

Tens of thousands of low-wage working families in Oregon who qualify for tax credits do not claim these credits, leaving behind millions of dollars. The Oregon Center for Public Policy estimates nearly \$100 million of federal Earned Income Tax Credit is left on the table in our state. That figure doesn't count state credits also due to those families. This is of great concern, especially at a time when we know households are struggling so acutely from the lasting economic impacts of the pandemic, high basic needs costs and soaring utility costs.

The EITC is one of the most effective tools for helping working families meet their basic needs and improve their lives. HB 2991 would provide critical support to Oregonians in accessing the EITC and other tax benefits they are eligible for but are not receiving due to a variety of barriers. Many taxpayers lack awareness of the ever changing tax laws and credits and of how to access them or find assistance. Complicated tax forms and legal language present additional challenges, and even more so for folks whose first language is not English. Internet access is another significant barrier to low-income families accessing resources. For these reasons, people turn to commercial tax preparers that charge considerable fees and to refund anticipation loans.

Having information and tax preparation support available through community based, culturally responsive organizations that community members trust and that can provide support in peoples' native language will reach community members that face the greatest barriers to these important benefits. It will also save families significant amounts in tax preparation fees.

Multnomah County has invested in tax preparation support for many years and has seen how effective providing free navigation and tax preparation assistance is in reaching our most vulnerable residents. We have the greatest success when we empower trusted community based organizations to deliver these services using their established relationships, systems and convenient community locations. Currently, capacity at tax preparation providers is not adequate to reach the thousands of households across the state that could benefit from tax credits.

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Oregon's federal EITC participation is alarmingly low nationally. Which is clear evidence of the need for urgent action in our state to take advantage of a benefit our low-wage working families desperately need.

We at Multnomah County support HB 2991 and ask that you take this critical step to address access to tax credits. The bill would have a significant financial impact for struggling Oregonians and also bring millions into local economies.

Thank you,

A handwritten signature in black ink that reads "Rachel Pearl".

Rachel Pearl
Deputy Director
Department of County Human Services