

### Background

[House Bill 2958](#) modifies the Oregon Earned Income credit by increasing the amount of the credit, allowing the credit to be claimed by individuals at least 18 years of age, and exempting the credit from garnishment. The bill also directs the Department of Revenue (DOR) to administer the credit in advance quarterly payments if certain conditions are met.

The Oregon Earned Income Credit (EIC) began in 1997 and is based on a percentage of the federal Earned Income Tax Credit (EITC) that is determined by the age of the youngest qualifying child. The credit is a refundable credit on the personal income tax return. During the 2021 session, the EIC was expanded to include individuals that would otherwise qualify for the credit except for lack of a Social Security number for themselves or their qualifying child but have an individual taxpayer identification number (ITIN). For tax year 2023, more than 228,000 returns claimed the Oregon EIC and 5,500 claimed the EIC for ITIN filers.

### Community Partnership

The department works in partnership with community organizations to disseminate information to taxpayers that may benefit from the Oregon EIC as well as other tax benefits for families. The department has participated in meetings with the EITC Coalition to better understand the implementation of the different provisions and their effect on taxpayers.

### Administration

The department recognizes that the different aspects of this bill will have varying administrative costs. The department will be able to implement the changes to the credit in the bill as currently drafted, however, the department also anticipates the more complex provisions increase the fiscal order of magnitude for administration.

### Agency Contact

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