

February 18, 2025

Representative Nancy Nathanson, Chair
House Committee on Revenue
900 Court Street, NE
Salem, OR 97301

Dear Chair Nathanson, Vice-Chairs Reschke and Walters, and Members of the Committee:

I am writing in support of HB 2958, which extends and improves Oregon's Earned Income Tax Credit (EITC) and will help hardworking Oregonians have more money in their pockets to pay for essentials.

The EITC is considered one of the most effective tools for helping working families with low-to-moderate incomes meet their basic needs and improve their lives. It does this by giving families additional income through the tax credit, which enables them to pay for essentials such as housing, groceries, and childcare. HB2958 gives much needed support to people who hold low wage jobs, have experienced economic recovery more slowly, and are particularly affected by the high cost of basic necessities - Black, Indigenous and People of Color are over-represented in this group.

HB 2958 extends Oregon's EITC, which is set to sunset January 1, 2026 otherwise. Continuing this vital resource is essential to supporting Oregonians.

The bill also expands the current credit in important ways by:

- More than doubling the amount of credit provided by the state.
- Currently, the Oregon EITC is 12 percent of the federal EITC for families with children under the age of three and 9 percent for all other families.
- Increasing the rates to 25 percent for families with children under the age of three and 20 percent for all other families.
- Expanding eligibility to all working adults, regardless of age.

These additional dollars will be tremendously beneficial to the families we serve in our Department who are struggling to stay housed, keep the lights and heat on, while also having enough to eat.

HB 2958 makes other improvements, including allowing the state to pay the EITC in quarterly advance payments. Receiving a portion of the credit through these advance quarterly payments would be a significant benefit to families struggling to get by, as it would provide them with earlier access to resources to cover their basic needs rather than making them wait until the following year to receive benefits to which they are entitled. This could help them avoid eviction, utility cut offs and hunger—challenges families face when forced to choose between essential needs.

We at Multnomah County support HB 2958 and ask that you take this critical step to ensure Oregonians have access to this important resource in future years and to expand it to help more families better cover their basic needs and remain stable.

Thank you,

A handwritten signature in black ink that reads "Rachel Pearl". The signature is written in a cursive, flowing style.

Rachel Pearl
Deputy Director
Department of County Human Services