



To: Chair Nathanson, Vice-Chairs Reschke and Walters, members of the House Committee on Revenue
From: Human Services Coalition of Oregon
Re: [House Bill 2958](#) – expanding the Oregon Earned Income Tax Credit
Date: February 25, 2025

Dear Chair Nathanson, Vice-Chairs Reschke and Walters, and members of the committee,

On behalf of the Human Services Coalition of Oregon (HSCO), we ask for your support of House Bill (HB) 2958, which renews and strengthens Oregon’s Earned Income Tax Credit (EITC). HSCO is a coalition of member organizations that all share the vision that our state is strongest when the basic needs of all Oregonians are met. Our members have endorsed HB 2958 because it is a proven, highly effective anti-poverty program that we know works. The changes proposed in HB 2958, if passed, will directly assist qualifying Oregon workers and their families by putting more money in their pockets.

How the Oregon EITC works now

The EITC’s purpose is “to increase the spendable income of low-income working families,” and it *does*.¹ Currently, Oregon taxpayers eligible to claim the federal EITC are allowed to claim the Oregon EITC, at either 9 percent or 12 percent of the federal credit amount allowed for the same tax year. To claim the higher 12 percent EITC, eligible Oregonians must have a dependent under three-years-old at the end of the tax year. Filers earning 75 percent of the Federal Poverty Line (FPL) in Tax Year (TY) 2023 who received the Oregon EITC increased their spendable income by about \$800. Filers who made 150 percent of FPL, or about \$37,300 in TY 2023, increased their spendable income by almost \$400.

How HB 2958 strengthens the Oregon EITC

- HB 2958 extends the program’s sunset so it continues to operate through at least 2032.
- It increases the state match of the federal EITC to from 9 to 20 percent, or from 12 to 25 percent for a family with qualifying dependents under three-years-old.
- It broadens eligibility to workers without kids who are 18 and older by removing age limits, instead of limiting the tax credit to only workers without kids between ages 25-65 (now).
- It protects the Oregon EITC from garnishments.
- It makes advanced, quarterly payments possible.

¹Legislative Revenue Office, *Tax Credit Review: 2025 Legislative Session*. Report #-924 (December 2024), page 5, https://www.oregonlegislature.gov/lro/Documents/RR%209_24%20Tax%20Credit%20Report%202025.pdf.



Why working families in Oregon need a stronger Oregon EITC

By myriad measures, it is harder for Oregonians to stay afloat in 2025 than it used to be.

Between 2013-2022, for every \$1 wages increased, the median sales prices of a home increased \$7.10, increasing housing costs across the board.² For every \$1 of new wages earned by Oregon renters, 50 cents of those wages is absorbed by rent increases.³ More than 27 percent of Oregon renters are severely cost-burdened, meaning they spend 50 percent or more of their income on housing.⁴

Food insecurity rates have doubled in our rural communities recently, with one in five households facing food insecurity (20.7 percent) during 2021-2023.⁵ The demographic group with the highest food insecurity rates in Oregon in 2021-2023 was single moms and has been for at least a decade.⁶ Couples with kids at home are twice as likely to be food insecure as couples without.⁷ Hunger affects Oregonians of all races and ethnicities, but it affects Black, Native American, and Hispanic Oregonians more often. One in five Black Oregonians, 19.6 percent of Native American Oregonians, and nearly 18 percent of Hispanic Oregonians.⁸

HB 2958 would raise the EITC for all Oregon workers who qualify. An expanded Oregon EITC could be the difference between making up for back rent during a month where money was short, paying to keep the heat on during winter, getting eyeglasses that aren't covered by the Oregon Health Plan, or having money for a birthday present for a child.

Expanding the Oregon EITC would meaningfully improve the stability and prosperity of many working families in Oregon. Our coalition urges you to support HB 2958.

Contact HSCO: oregonhsco@gmail.com

² Schrader, B. *State of the State's Housing*, Oregon Housing and Community Services (2024), page 7, <https://www.oregon.gov/ohcs/about-us/Documents/state-of-the-states-housing.pdf>.

³ *Id.*

⁴ *Id.* at 8.

⁵ McElhaney, J., & Edwards, M. (November 2024). *Pandemic Increases in Oregon's Food Insecurity (2021-2023)*, Oregon Policy Analysis Lab, Oregon State University, page 2, https://liberalarts.oregonstate.edu/sites/liberalarts.oregonstate.edu/files/2024-11/Oregon_Food_Insecurity_Rates_2021-2023_november_2024.pdf.

⁶ *Id.* at 3.

⁷ *Id.*

⁸ *Id.* at 4.