

Date: February 26, 2025

To: House Committee on Revenue

From: Ted Cooper, AFT-Oregon Executive Vice-President

Re: Support for “Relating to earned income tax credits; prescribing an effective date.- [HB-2958](#)”

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

Thank you for the opportunity to present testimony on House Bill 2958.

AFT-Oregon represents over 18,000 education workers across Oregon. On behalf of our members, we strongly encourage your support of HB2958.

My name is Ted Cooper, Executive Vice-President of AFT-Oregon, and I respectfully submit this testimony in support of House Bill 2958 to renew and strengthen Oregon’s Earned Income Tax Credit.

The Earned Income Tax Credit (EITC) is the largest anti-poverty program in the Oregon tax code, helping about 250,000 working families struggling to make ends meet every year. Together with its federal counterpart, Oregon’s EITC helps lift tens of thousands of Oregonians out of poverty. The EITC does this by putting dollars in the pockets of families working for low wages. Currently, Oregon’s EITC can be worth up to \$900, which helps families struggling to get by with keeping food on the table or paying their utility bills.

Without legislative action this session, Oregon’s EITC will sunset. HB 2958 not only renews Oregon’s EITC but, importantly, makes much-needed improvements to strengthen it. HB 2958 more than doubles the match of the federal credit provided by the state, better helping working families meet the rising cost of living; it expands eligibility to all childless workers regardless of their age, better helping younger Oregonians entering the workforce and those working past 65 make ends meet; and makes technical improvements to allow the state to pay the EITC out in regular advance payments in the future.

- **Address rising costs for working families:** A bigger EITC means more money in the pockets of working families at a time of rising costs - helping folks all over Oregon continue to live and work here.
- **Reducing geographic disparities:** Rural families are more likely to qualify for the EITC. Strengthening the EITC helps put more dollars into the pockets of working families in rural Oregon.
- **Reducing racial and gender disparities:** Research shows that the EITC can address racial and gender disparities in the economy, and are especially important for boosting the incomes of women of color.

- **Reduce poverty:** The EITC already lifts tens of thousands of hard-working families out of poverty, and strengthening it will have an even larger impact on reducing poverty and economic insecurity.
- **Helps the economy:** Strengthening the EITC will also benefit local economies throughout the state. Low-income families tend to spend the dollars they receive quickly, trying to meet their basic needs. This means dollars from the EITC circulate rapidly in our economy, providing continued benefits to small businesses and local communities throughout Oregon. Researchers estimate that each EITC dollar results in \$1.40 to \$1.58 in additional economic activity.
- **Downstream cost savings to the state:** Policies like the Earned Income Tax Credit have been shown to lead to a long list of positive impacts on families, and result in cost savings in other systems. This is related to improved child well-being, enhanced educational outcomes, and more.

Working families across Oregon are struggling with economic insecurity, made worse by rising prices. The most direct way to address this is to give these families more money to afford rent, food, and other basic needs. Strengthening Oregon's Earned Income Tax Credit would be an effective and efficient way to deliver resources to families struggling to make ends meet.

Please support Oregon's working families and advance HB 2958.

Signed,

Ted Cooper (he/him)

AFT-Oregon, Executive Vice-President

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