

2/25/2025

Testimony in support of bill HB 2958

House Committee on Revenue

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

My name is Sam Guthman, my pronouns are she/her and I am the Policy Manager at APANO Communities United Fund (CUF) and APANO Action Fund (AF), sibling, culturally-specific organizations that unites Asians and Pacific Islanders to build power, develop leaders and advance equity through organizing, advocacy, community development and cultural work.

I respectfully submit this testimony in strong 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 over 250,000 working families struggling to make ends meet every year. Together with its federal counterpart, Oregon's EITC helps lift Oregonians out of poverty. 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 this vital program. HB 2958 increases the match of the federal credit provided by the state, better helping working families meet the rising cost of living; 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.

The EITC is a Proven Tool for Economic Stability.

The EITC is one of the most effective anti-poverty programs in the country. In Oregon, the federal EITC lifts 68,000 Oregonians, including 34,000 children, out of poverty every year. However, the state's current EITC match remains too low, and thousands of eligible families are unable to claim these vital benefits. By strengthening the EITC, HB 2958 will:

- Provide Direct Relief to Working Families: Families can use EITC refunds to cover rent, groceries, transportation, and child care, helping them towards a path of financial stability

- Support Oregon's Economy: Research shows that every \$1 in EITC generates up to \$1.58 in local economic activity, benefiting small businesses and local economies.
- Reduce Racial and Economic Inequities: EITC can address racial and gender disparities in the economy, and is especially important for boosting the incomes of women of color. Expanding the EITC ensures more families, including AANHPI communities, receive the support they need.
- Invest in Rural Communities: Rural families are more likely to qualify for the EITC but have less access to free tax assistance services. Strengthening the EITC helps put more dollars into the pockets of working families in rural Oregon.
- Downstream Cost Savings to the State: Policies like the Earned Income Tax Credit have been shown to improve child well-being, enhance educational outcomes, and lead to cost savings in other vital systems.

Many AANHPI families, especially immigrants and refugees, work in low-wage industries where wages remain stagnant while the cost of living continues to rise. Language barriers, lack of culturally responsive tax assistance, and fear of government systems often prevent these families from claiming benefits they are entitled to. By expanding eligibility, outreach, and access, HB 2958 helps ensure that all working families—regardless of race, language, or immigration status—can fully benefit from this critical program.

Expanding the EITC is a direct investment in the well-being of Oregon's working families, our local economies, and the future of our children. HB 2958 is a necessary step toward ensuring economic security for all Oregonians, especially communities that have historically faced barriers to financial stability. We urge the committee to support HB 2958 and move it forward for passage.

Thank you for your time and consideration.

Thank you,

Sam Guthman
Policy Manager
APANO Communities United Fund