

TO: Joint Committee on Tax Expenditures
FROM: Matt Newell-Ching, Senior Manager of Public Policy
RE: Provisions in SB 120 related to the Crop Donation Tax Credit, the
Earned Income Tax Credit, and Individual Development Accounts
DATE: June 10, 2025



Co-Chairs Meek and Nathanson, Vice Chairs McLane, Reschke, and Walters, and Members of the Committee:

Oregon Food Bank's mission is "to eliminate hunger and its root causes... *because no one should be hungry.*" Yet one-third more Oregonians experience hunger today than before the pandemic. Last year, we saw 2.5 million visits to our network of over 1,200 food assistance sites through the Oregon Food Bank Network—a 31% increase from the previous year.

We appreciate the opportunity to comment on provisions within the -1 Amendment to SB 120.

Oregon Food Bank supports the increase to the Crop Donation Tax Credit.

The Crop Donation Tax Credit encourages Oregon growers – both individuals and corporations – to donate surplus and marketable produce to charitable organizations like Oregon Food Bank by offering a tax credit equal to 15% of the donated crops' wholesale market value (ORS 315.156). Section 2 of the -1 amendment to SB 120 proposes increasing this credit to 25%, expanding its impact for both farmers and communities facing hunger. This credit has been instrumental in encouraging farmers to donate surplus and marketable produce to food banks and hunger relief organizations. This section is based on [HB 2732](#), which Oregon Food Bank [proudly supported](#). By increasing this credit, it will help ensure that more nutritious, locally grown food will reach those who need it most. This credit not only supports hunger relief efforts but also provides financial relief to Oregon farmers who face rising operational costs. This is particularly important because of the USDA's recent decision to cancel food assistance to food banks through the Commodity Credit Corporation (CCC).

Oregonians participating in the EITC need and deserve an increase. As drafted, the -1 to SB 120 misses an opportunity.

We additionally urge the Legislature to include expansions to the EITC that mirror the content of HB 2958, which passed unanimously in the House Revenue Committee. As drafted, the -1 amendment extends Oregon's current policy related to the Earned Income Tax Credit, but misses an opportunity to support low-income working families by strengthening it.

Oregon faces concurrent housing and cost-of-living crises that have contributed to rising food insecurity in recent years. Roughly 138,000 renter households in Oregon (or 22 percent) have extremely low incomes, with a household total income at or below the federal poverty line, or 30

Oregon Food Bank
Headquarters /
Metro Services
7900 NE 33rd Drive
Portland, OR 97211
503-282-0555

Oregon Food Bank
Washington County
Services
1870 NW 173rd Ave
Beaverton, OR 97006
503-439-6510

Oregon Food Bank
Tillamook County
Services
PO Box 1344
Tillamook, OR 97141
503-842-3154

Oregon Food Bank
Southeast Oregon
Services
773 S Oregon Street
Ontario, OR 97914
541-889-9206

Columbia Gorge
Food Bank
3610 Crates Way
The Dalles, OR 97058
541-370-2333



percent of their area median income (AMI).¹ Among children in Oregon, in the 2022–23 school year, an estimated 21,478 children enrolled in Oregon’s school districts—approximately 3.9 percent of all students in the state—experienced homelessness.²

For years, Oregon’s Earned Income Credit (EIC) has provided a state match to the federal EITC, ranging from 9 to 12 percent. While this state match is meaningful for families, many states have policies with substantially higher credits. Connecticut, New Jersey, and Vermont, for example, all have credits over 30% of the federal credit³. Because this credit is so well-suited to serving both households with the lowest incomes and households with children, it is highly deserving of an expansion. We urge you to incorporate expansions to Oregon’s EIC that were proposed in HB 2958, which include:

1. Expanding the state match of the federal EITC to 20–25 percent;
2. Allowing the availability of Oregon’s EIC to people under the age of 25 and ages 65 and over; and
3. Protecting refunds generated from the EIC from garnishment.

We support the changes to improve funding for Individual Development Accounts.

Since 1999, the Legislature has consistently invested in working families through its funding of Oregon’s Individual Development Account (IDA) Program. These accounts have enabled participants to reach their goals of homeownership, starting a business, attaining higher education, and saving for retirement. Over time, economic pressures have required a reevaluation and strengthening of the IDA Program’s tax credit funding sources to best serve the increasing demand across the state. These pressures include 25 years of inflation and legislative changes to our federal tax code. The language in the -1 amendment would allow for the increase of the tax credit cap from the current \$7.5 million to \$14 million. This is a meaningful step in the right direction that would allow service to 1,750 new participants each biennium.

¹ National Low Income Housing Coalition, “Housing Needs by State, Oregon,” <https://nlihc.org/housing-needs-by-state/oregon>.

² Greene, J. et al., “2023 Oregon Statewide Homelessness Estimates,” Portland State University Homelessness Research & Action Collaborative (Jan. 2024) at 4. See also SchoolHouse Connection, “Infant & Toddler Homelessness Across 50 States: 2021–2022” (Mar. 20, 2024), <https://schoolhouseconnection.org/infant-and-toddler-homelessness> (estimated total population of Oregon children aged 0–3 experiencing homelessness is 5,392, or 3.31 percent of all infants and toddlers).

³Center on Budget and Policy Priorities, “States Can Enact or Expand Child Tax Credits and Earned Income Tax Credits to Build Equitable, Inclusive Communities and Economies,” <https://www.cbpp.org/research/state-budget-and-tax/states-can-enact-or-expand-child-tax-credits-and-earned-income-tax>

