



The League of Women Voters of Oregon, established in 1920, is a grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

June 10, 2025

To: Co-Chair, [Senator Mark Meek](#), and Co-Chair [Representative Nancy Nathanson](#) and Members of the [Joint Committee On Tax Expenditures](#)

Re: [SB 120-1](#) - Funding Earned Income Tax Credit and Individual Development Accounts - **Comments**

Earlier this session, the League submitted letters in support of [raising the cap on the tax credit that funds the Individual Development Accounts](#) (IDA) program and [strengthening and renewing Oregon's Earned Income Tax Credit](#) (EITC). We urge your support for fixing the funding for the IDA program and extending the sunset by six years for the EITC as you consider passage of SB 120-1.

The League believes persons who are unable to work, whose earnings are inadequate, or for whom jobs are not available have the right to an income and/or services sufficient to meet their basic needs for food, shelter, and access to health care.

The 2024 State of the State's [Housing Report](#) describes in stark detail the impact housing costs have on Oregon families and individuals. More than 50 percent of renters and a third of homeowners are cost burdened (p. 6). Funding for both, the EITC and IDA will help address this problem.

Individual Development Accounts

The League urges your support to raise the cap on funding for the IDA program, through SB 120 -1. Raising the cap from \$7.5 to \$14 million per year will serve 1,750 new IDA savers every two years. Without funding above the current service levels the program will shrink by 50%. Over 19,000 Oregonians have participated in this life-changing program – spanning every House and Senate district in the state.

The Legislature created IDAs in 1999. The program has a track record of successfully assisting participants to save for homeownership, education, retirement, and starting a business with state matching funds up to 5-to-1 to help make their dreams a reality. Unfortunately, tax credit funding has not kept pace with inflation. Without raising the cap, fewer families will have access to this vital resource.

IDAs are important in fostering financial stability, building generational wealth, addressing racial disparities, and building financial resilience in communities. Every IDA, regardless of the savings goal, is a tool for housing stability.

Earned Income Tax Credit

This tax policy currently provides critical support for Oregonians struggling to make ends meet. Costs for food, housing, child care, transportation, health care, and other essentials continue to grow, placing a significant strain on household budgets. By extending the sunset on the state's EITC, eligible individuals and families will continue to receive help keeping up with those growing costs.

We urge your support for the IDA program and EITC through SB 120-1. Thank you for the opportunity to discuss this legislation.

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