

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
83rd Oregon Legislative Assembly
2026 Regular Session
Legislative Revenue Office

Bill Number: SB 1507 - MRA
Revenue Area: Income Taxes
Economist: Kyle Easton
Date: 2/9/2026

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Increases Oregon's earned income tax credit to 14 percent of a taxpayer's federal credit, or 17 percent in the case of taxpayers with a dependent under the age of three (existing percentages are 9 and 12 respectively). Applies to tax years 2026 and later.

Updates connection date to federal Internal Revenue Code and other provisions of federal law. Updates connections by two years to December 31, 2025, or to January 1, 2026.

Revenue Impact (\$Millions):

	Biennium		
	2025-27	2027-29	2029-31
OR earned income tax credit expansion	-\$26.2	-\$52.7	-\$53.7
Update connection date to federal law	Minimal		

Impact Explanation:

In 2023, about 235,000 Oregon taxpayers claimed a total of about \$50 million in Oregon earned income tax credits for an average credit amount of \$213. Using 2023 as an example, applying the increased credit percentages of 14 and 17 percent would increase the average credit amount to about \$323. The current law sunset date of January 1, 2032, remains unchanged for the credit.

Updating Oregon's connection date to federal law is expected to have a minimal revenue impact.

Creates, Extends, or Expands Tax Expenditure: Yes ☒ No ☐

Earned income tax credit

The policy purpose of this credit is to increase the spendable income of low-income working families and encourage individuals to enter and/or increase their labor force participation.