March 26, 2019

To: **House Committee on Human Services and Housing**  
Chair Representative Alissa Keny-Guyer  
Vice-Chair Representative Ron Noble  
Vice-Chair Representative Tawna Sanchez  
HHS exhibit email

**House Committee on Revenue**  
Chair Representative Nancy Nathanson  
Vice-Chair Representative Lynn Findley  
Vice-Chair Representative Pam Marsh  
HRev exhibit email

Re: **HB 3028** (with -2) – Increase percentage of federal earned income tax credit (EITC) allowable as credit against Oregon personal income tax – **Support**

The League of Women Voters of Oregon has Positions in tax policy and child well-being to address this bill.

- LWVOR supports policies, programs, and funding at all levels of the community and government that promote the well-being, encourage the full development, and ensure the safety of all children.
- LWVOR believes any tax proposal should be evaluated with regard to its effect on the entire tax structure. The League supports a tax system that is based on ability to pay, but that applies a benefits-received principle wherever reasonable and that recognizes the role of social expediency.

The League is generally skeptical of most tax credits, believing that the market economy and/or direct legislative funding of priority programs through the Ways and Means process is preferable to creating a leaky sieve of tax-credits that take away revenue from the budgeting process.

However, the **EITC is rather unique**. Oregon’s current tax system is regressive and unduly taxes the lowest income earners—a minimum wage worker hits the 9 percent tax rate at only $8,700 of taxable income. The EITC is a proxy for reinstating some of that tax money to low income earners. It offers additional credit to those with young children.

Thank you for the opportunity to discuss this legislation.

Norman Turrill  
LWVOR President

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LWVOR Policy Co-Coordinators for Revenue