



HB 2091: Continuing the Earned Income Tax Credit House Revenue Committee – Jody Wisner – 2.18.2025

Each of the EITC tax bills before your committee would have significant impact on the General Fund. The Governor's recommended budget includes continuing the program, and we support HB 2091 which would do so, with a six year extension of the sunset date.

Of all the tax measures this year, increasing the EITC payments themselves as do other bills before you today comes in second only HB 2991, which funds outreach to those eligible for this important support for low income working families. We should definitely continue Oregon's EITC and work to increase participation in this federal and state benefit.

Certainly, if you find there is extra money for expansion of tax benefits, expanding the benefits to our lowest income Oregonians should take priority.

But...the Governor's all funds budget for the next biennium included \$41 billion in federal funds. We can all assume that this is not a realistic number. It will likely be lower by billions; we just do not know by how much. The current administration has stated that they want to cut federal spending significantly and they have the votes in Congress to accomplish that.

Every program is facing these federal reductions including potentially the Federal EITC. In fact, it may be an error to have Oregon's EITC be based on a percentage of the Federal program without a connection point, like December 31, 2024. Otherwise, if the federal program is cut, Oregon's is also.

Whether it is the Oregon Health Plan or OHSU or public schools, you will be asked to backfill cuts to the maximum extent possible. Rural Oregon is expected to be hit hard and will be asking for support. In addition, as the federal cuts result in fewer federal employees or layoffs at other employers that have their funding cut, we will see lower personal income tax revenue for the General Fund.

Our message today is that you cannot fairly evaluate the various bills before you that will reduce state revenue without thinking about the overall fiscal environment that you will need to address both before this session is complete and likely afterwards. We suggest that **any** consideration of reducing revenue, be it with tax credits for film, medical providers, or EITC be put aside in this Session.

Please move positively on HB 2091 to retain Oregon EITC, but let expansions of this valuable program be left for another day when there is more certainty about the future.

We read the bills and follow the money