



# The Education Case to #RenewAndRaise the EITC in Oregon

## Background

In July 2019, Oregon Governor Kate Brown (D) signed legislation to renew the state's Earned Income Tax Credit (EITC) for six more years and raise the credit by one percentage point.

In the past, Oregon's EITC campaigns were modestly successful. The last increase to the state's credit was in 2013, bringing it from 6 to 8 percent of the federal tax credit. In 2016, a surprise surplus of several million dollars led to conversations between lawmakers and EITC advocates, which resulted in an increase in the benefit to 11% for households with very young children.

Still, at 8 percent for most households, Oregon's credit was lower than 18 of the 23 state-level EITCs. What's more, Oregon's EITC isn't a permanent fixture in the state's tax code, and the credit was scheduled to expire at the end of the year. Households across the state were struggling to make ends meet, despite the prevalence of jobs. Low wages and high housing costs left many facing family and housing instability and children dealing with disruptions to their education. Many of these struggling families relied on the EITC each year and losing it would be devastating.

The aptly-branded "Renew and Raise" campaign had three main objectives:

- Renew the Oregon EITC which was set to expire in 2020.
- Raise the credit to 15 percent for families with children under age 6, 18 percent for families with children under age 3, and 12 percent for all other eligible taxpayers.
- Make the credit more equitable by extending it to include all eligible workers including those who file with an Individual Taxpayer Identification Number (ITIN).

The original bill proposed in 2018 sought to increase the EITC to 20 percent. However, after pressure from other lawmakers it was amended to the above increases.

Lawmakers were generally supportive of the credit but still needed to be persuaded to make the renewal and increase a priority; the political environment was heavily focused on investments in education. Instead of competing with the education advocates, the coalition decided to use this challenge to their advantage.

## Campaign Structure and Strategy

The coalition had already done significant work educating lawmakers about the EITC's impact on struggling workers through **op-eds** and past advocacy. While they were not receiving any pushback on the importance of the credit, the challenge was how to finance a renewal and a raise. With many powerful interest groups focusing on education as the top priority, the coalition had to work to make the EITC visible with limited resources up for grabs.

The coalition's messaging originally focused on not taxing families and children into poverty. They decided instead to paint the EITC in a much more positive light by sharing why the EITC matters for education. Materials used research to support this assertion, linking the credit to improved graduation and college attendance rates, better school performance, and improved health for children which keeps them in school and learning. They also linked the EITC to stability in the household, which affects a child's school stability and other factors that contribute to their learning. Additional key talking points included how many Oregon children would benefit from an EITC improvement (4 in 10) and that increases in household income are bigger predictors of student success than investment in classrooms.

The coalition also focused on the housing instability that many Oregonians were facing. Straining household budgets and people losing their homes due to low wages and rising housing costs became a central theme in their messaging—and it was effective.

The coalition drove the significance of the EITC home for lawmakers by turning the credit into an “us” issue, rather than a “them” issue. Janet Bauer, a policy analyst for the Oregon Center for Public Policy (OCPP), developed and provided each lawmaker with a **one-pager** that showed many people in their congressional district used the EITC. Lawmakers found the data compelling and eye-opening. For many, it was a first look at how many people from their districts relied on the credit, as well as a calculation of how much money would come into their districts with a renewed and increased EITC.

Another convincing piece of data was the comparison of Oregon’s EITC to other states’. In a general **one-pager** outlining the benefits and importance of the issue, the OCPP included a chart showing that Oregon was in the bottom five of the 23 states with a state EITC. The visual was striking for lawmakers who didn’t like seeing their state so low on the list. “I think some of our eyebrows were raised when we saw Oregon at sort of the bottom quartile of states that participate in that,” Oregon Senator Mark Hass (D-Beaverton) **said in an interview with The Oregonian**.

Along with this one-pager, the OCPP created additional materials and branded their campaign, titling it “Renew and Raise,” giving the campaign legitimacy. The campaign’s title allowed for the use of hashtags on social media to generate buzz and conversation, increasing the visibility of the issue. The leave-behinds focused on different topics, such as the credit’s return on investment and the rationale for eliminating the exclusion for ITIN filers.

The coalition also elevated the voices of the people who have benefited from the EITC. With The Hatcher Group, the OCPP developed a **series of videos** featuring policy experts and taxpayers who shared their stories of how the EITC helped their family, particularly their children. These videos were disseminated online and through social media, and two of the participants testified before lawmakers.

Another group the coalition focused on was ITIN filers. The messaging focused on this group being left out of the EITC, despite otherwise qualifying based on their earned income. It also provided compelling data such as how the EITC currently excludes 90,000 U.S. citizens, including 70,000 citizen children living in mixed status households. Finally, it carried forward the education angle by emphasizing the improved health, performance, opportunities, and earnings for children who receive the EITC.

**RENEW & RAISE**  
OREGON

HB 3028 makes the Oregon EITC work better for working families

The 2019 legislature can improve economic security for 900,000 Oregonians by enacting HB 3028, a bill to renew and raise the Oregon Earned Income Tax Credit

**The EITC is a common sense tax credit for working families**

- It encourages and rewards employment; you must work to earn the credit.
- It recognizes that many jobs don't pay enough to meet basic necessities: the credit boosts income for 900,000 Oregonians — one in every five.
- Because of its effectiveness, the credit has long enjoyed bipartisan support — both in Congress and the Oregon legislature.

**HB 3028 puts Oregon's credit on par with others**

State	Rate
AK	25%
CA	25%
CO	25%
CT	25%
DC	25%
FL	25%
GA	25%
IA	25%
IL	25%
IN	25%
KS	25%
MA	25%
MD	25%
ME	25%
MI	25%
MN	25%
MO	25%
NC	25%
ND	25%
OH	25%
OR	8%
PA	8%
RI	8%
TN	8%
TX	8%
VA	8%
VT	8%
WA	8%
WI	8%
WV	8%
WY	8%
DC	3.5%

**The EITC boosts Oregon's economy**

- It helps workers keep a job, better affording work essentials such as transportation.
- It lowers use of public assistance.
- It decreases recidivism.
- Dollars are spent locally, generating economic activity in Oregon communities.

**The EITC helps Oregon students succeed**

- The credit supports 4 of every 10 Oregon children, fostering:
  - Improved health;
  - Better school performance;
  - Higher rates of graduation and college attendance; and
  - Higher earnings as adults.

**HB 3028 renews and raises the Oregon EITC**

- The Oregon EITC is set to expire in 2020. Now is the time to renew it.
- HB 3028 improves the credit by raising it to 20 percent of the federal tax credit, putting Oregon on par with other states.
- The bill gives an enhanced credit of 25 percent to families with kids under age 3.
- It makes the credit more equitable by extending it to all workers who file a tax return and meet the income threshold, including those who file with an Individual Taxpayer Identification Number (ITIN).

**Oregon lawmakers want to expand tax credit for low-wage workers, families**

Updated Jun 08, 2019; Posted Jun 08, 2019

Rep. Nancy Nathanson and Sen. Mark Hass are co-chairs of the Oregon legislative committee tasked with deciding which tax credits to renew, change and create this session.

106 | 693 shares

By [Hillary Borrud](#) | [The Oregonian/OregonLive](#)

SALEM — In the past decade, Oregon lawmakers have passed a variety of laws aimed at helping people who struggle financially, including expanding Medicaid, raising the minimum wage and controlling rent increases.

The EITC is really important for Oregon's...

Watch later | Share

The EITC is really important

As for the funding for the increase, one of the Revenue Committee chairs had a plan to pay for the bill by closing a business loophole. However, after the passage of the \$2 billion Student Success Act, which was paid for through a new business tax, lawmakers withdrew their support for the EITC pay-for. Without the pay-for, the coalition shifted their priorities to focus on including ITIN filers now, rather than later when it might be more mired in political complications.

Despite this shift, legislators elected to boost the EITC overall rather than include ITIN filers, as they had other big asks to contend with. They raised the EITC one percent for all eligible workers. Ultimately, the price tag held lawmakers back from increasing the EITC as much as the coalition sought. However, the credit was successfully renewed for six years, during which it will continue to provide relief to Oregon's workers and families.

## Key Messages Used

- **The EITC is a common sense tax credit for working families.** The EITC encourages and rewards employment, as you must work to earn the credit, yet it also recognizes that many jobs don't pay enough to meet basic necessities. Because of its effectiveness, such as boosting income for 900,000 Oregonians, the credit has long enjoyed bipartisan support.
- **The EITC boosts Oregon's economy.** Workers use the EITC to spend money locally, better afford work essentials such as public transportation, and decrease their use of public assistance. The credit also decreases recidivism.
- **The EITC helps Oregon students succeed.** The credit supports 4 of every 10 Oregon children, fostering improved health, better school performance, higher rates of graduation and college attendance, and higher earnings as adults.
- **HB 3028-A renews and raises the Oregon EITC.** This message reminds the public that the Oregon EITC is set to expire in 2020, along with the details of the bill—it improves the credit by raising it to 12 percent of the federal tax credit and provides an enhanced credit to families with young children.
- **A more equitable EITC.** All workers who file a tax return and meet the income threshold, including those who file with an Individual Taxpayer Identification Number (ITIN), should be included, including 70,000 citizen children living in mixed status households.

## Looking Ahead

The credit was renewed for six years, but the coalition recognizes that waiting until 2025 for another increase is a long time to wait for many households. The coalition's next focus will be on convincing lawmakers that another EITC discussion before 2025 is both acceptable and necessary for Oregon's struggling working families.



## COALITION MEMBERS

AFL-CIO – Eastern Oregon Labor Council

AFSCME Council 75

American Association of University of Women of Oregon

Asian Pacific American Network of Oregon (APANO)

CASA of Oregon

CASH Oregon

Causa

Central City Concern

Children First

Coalition of Communities of Color

COFA Alliance National Network

Community Action Partnership of Oregon

Community Vision

Ecumenical Ministries of Oregon

El Programa Hispano Catolico

Family Forward Oregon

Habitat for Humanity of Oregon

Healthy Kids Learn Better Coalition

Human Services Coalition of Oregon

League of Women Voters of Oregon

Main Street Alliance

Metropolitan Family Service

Multnomah County

NARAL Pro-Choice Oregon

NEDCO/Willamette Neighborhood

Housing Services

Neighborhood Partnerships

Nonprofit Association of Oregon

Northwest Credit Union Association

NW Natural

Open Adoption & Family Services

Oregon AFL-CIO

Oregon Business & Industry

Oregon Business Council

Oregon Center for Public Policy

Oregon Consumer League

Oregon Food Bank

Oregon Housing Alliance

Oregon Law Center

Oregon State Council for Retired Citizens

Oregon School Employees Association

Oregon Women's Rights Coalition

Pacific Power

Partners for Hunger-Free Oregon

PCUN

Peace Health

Portland Community College

Portland General Electric

Providence Health & Services

Rose Community Development Corporation

SEIU 503

United Seniors of Oregon

Urban League of Portland

Denny Doyle, Mayor of Beaverton

Betty Komp, Former State Representative

Kelley Minty Morris, Klamath County Commissioner

Tobias Reed, Oregon State Treasurer