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Working Families, Rural Oregonians Supported in Tax Credit Package

Legislation expands Earned Income Tax Credit, improves Oregon College Savings Plan, supports rural communities

SALEM – The Oregon House of Representatives passed an extension of a tax credit package today that supports low-income workers and rural Oregonians, including an expansion of the Earned Income Tax Credit.

House Bill 2164 is a package that extends and modifies 17 tax expenditures with the overarching policy goal of lifting up Oregon’s working families and rural communities.

“What we ended up with is a package that touches a variety of Oregonians’ concerns, whether social or economic, business or personal,” said Rep. Nancy Nathanson (D-Eugene), chair of the House Committee on Revenue. “This package seeks to broadly reach across the state to support Oregonians whether in urban or rural areas.”

Low-income working Oregonians will have more spendable income thanks to an increase in the Earned Income Tax Credit, which offsets state income taxes to help more families make needed investments or save for a more stable future. It increases the current state credit from eight percent to nine percent for individuals, and 11 percent to 12 percent for workers with children under three years old. This brings additional help to more than a quarter million Oregon taxpayers – including four out of every 10 Oregon children.

“The Earned Income Tax Credit is one of the most important tools to increase food security, reduce income inequality, and support low-income, working families across the state,” said Rep. Alissa Keny-Guyer. “I am glad that we were not only able to extend the sunset but expand the program, as well as renew the tax credit for manufactured dwellings and agriculture workforce housing.”

The legislation also includes a restructuring of the 529 higher education savings network program to make the incentive more available to lower- and middle-income Oregonians by creating a refundable tax credit on a tiered scale.

“Our whole economy will benefit when we can increase access to higher education and training,” said Rep. Julie Fahey (D-West Eugene and Junction City). “This package thoughtfully includes one more tool to help students avoid the crushing debt that is burdening families across the state and country.”

HB 2164 also extends a credit to provide tax relief to low-income Oregonians with pension income, a credit for residents displaced from their manufactured home park, and an incentive for development of low-income rental housing.

For rural Oregon, the legislation, extends credits that will help defray the out-of-pocket costs of volunteers who provide emergency medical services in rural communities, support the construction of agriculture workforce housing, and increase the amount of food donated to food banks and other charitable organizations by compensating farmers who donate crops. Two additional tax credits have been added to encourage investment in short line railroad infrastructure and encourage economic development opportunities across the state. The package also funds cultural development programs to county and tribal cultural coalitions and others in rural Oregon.

The legislation also contains technical fixes for the Student Success Act, House Bill 3427, which was passed earlier this year.

The legislation, which passed 47 to 12, now goes to the Oregon Senate for consideration.

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