

Who's Losing Out From RALs?

Low-income working households are the largest group that would benefit from HB 3163 refund anticipation loan reform

Refunded tax dollars that could help low-income families make ends meet and boost local economies are instead ending up in the pockets of tax preparation companies. That is the result of refund anticipation loans (RALs), short-term and often high-cost loans advertised as rapid tax refunds. Tax preparers often collect the RALs fees out of the federal Earned Income Tax Credit (EITC) refunds anticipated by low-income taxpayers.

The federal EITC is targeted at low-income working families and is designed to honor work, keep families together, reduce poverty and offset the payroll taxes of workers in low-paying jobs. In Oregon, nearly two-thirds of RAL customers in 2006 were federal EITC recipients, and 18 percent of federal EITC recipients used RALs.

HB 3163 would establish consumer protections for RALs. The tables below show, by state House and Senate districts, the share of Oregon's RAL recipients in 2006 who claimed the federal EITC and the share of federal EITC recipients using RALs.

RALs by Oregon Senate District					
Senate District	Senator	Total # of RALs	# EIC recipients with RALs	% of RALS going to EIC recipients	% of EIC recipients getting RALS
1	Kruse	2,703	1,766	65%	21%
2	Atkinson	2,623	1,774	68%	19%
3	Bates	2,247	1,555	69%	17%
4	Prozanski	1,744	1,090	63%	15%
5	Verger	2,792	1,786	64%	22%
6	Morrisette	2,286	1,528	67%	19%
7	Walker	2,001	1,266	63%	16%
8	Morse	1,610	1,029	64%	16%
9	Girod	2,388	1,438	60%	20%
10	Winters	2,312	1,497	65%	22%
11	Courtney	3,117	2,111	68%	22%
12	Boquist	2,225	1,416	64%	19%
13	George	1,835	1,090	59%	17%
14	Haas	1,405	802	57%	14%
15	Starr	1,651	985	60%	15%
16	Johnson	2,392	1,324	55%	19%
17	Bonamici	1,314	761	58%	14%
18	Burdick	989	528	53%	11%
19	Devlin	665	351	53%	10%
20	Schrader	1,742	1,023	59%	17%
21	Rosenbaum	1,601	892	56%	12%
22	Carter	2,285	1,495	65%	17%
23	Dingfelder	1,738	1,076	62%	15%
24	Monroe	2,872	1,882	66%	19%
25	Monnes Anderson	2,443	1,495	61%	19%
26	Metsger	1,748	959	55%	13%
27	Telfer	2,700	1,620	60%	18%
28	Whitsett	2,431	1,673	69%	18%
29	Nelson	2,819	1,820	65%	21%
30	Ferrioli	2,690	1,849	69%	21%
Senate District Average		2,112	1,329	63%	18%

Source: OCPP presentation of IRS data for the 2006 tax year compiled and sorted by legislative districts by the Brookings Institution.

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RALs by Oregon House District					
House District	Representative	Total # of RALs	# EIC recipients with RALs	% of RALS going to EIC recipients	% of EIC recipients getting RALs
1	Kreiger	1,207	792	66%	19%
2	Freeman	1,496	974	65%	23%
3	Maurer	1,396	977	70%	20%
4	Richardson	1,227	797	65%	17%
5	Buckley	908	634	70%	14%
6	Esquivel	1,338	921	69%	21%
7	Hanna	1,167	748	64%	18%
8	Holvey	577	342	59%	11%
9	Roblan	1,490	978	66%	23%
10	Cowan	1,302	808	62%	20%
11	Barnhart	843	523	62%	15%
12	Beyer	1,443	1,005	70%	21%
13	Nathanson	805	497	62%	14%
14	Edwards, C.	1,196	769	64%	17%
15	Olson	1,200	772	64%	20%
16	Gelser	409	257	63%	11%
17	Sprenger	1,360	854	63%	22%
18	Gilliam	1,027	584	57%	17%
19	Cameron	1,161	734	63%	22%
20	Berger	1,151	764	66%	21%
21	Clem	1,662	1,127	68%	23%
22	Komp	1,457	985	68%	21%
23	Thompson	1,194	745	62%	20%
24	Weidner	1,031	671	65%	18%
25	Thatcher	1,159	718	62%	19%
26	Wingard	676	372	55%	15%
27	Read	632	365	58%	14%
28	Barker	775	436	56%	14%
29	Riley	820	502	61%	16%
30	Edwards, D.	832	482	58%	15%
31	Witt	1,088	615	57%	18%
32	Boone	1,304	709	54%	19%
33	Greenlick	462	257	56%	11%
34	Harker	852	505	59%	16%
35	Galizio	673	398	59%	16%
36	Nolan	315	130	41%	6%
37	Bruun	468	254	54%	13%
38	Garrett	197	97	49%	7%
39	Kennemer	794	451	57%	16%
40	Hunt	948	572	60%	18%
41	Tomei	971	572	59%	15%
42	Bailey	630	320	51%	9%
43	Shields	896	568	63%	14%
44	Kotek	1,389	927	67%	20%
45	Dembrow	878	565	64%	16%
46	Cannon	860	511	59%	14%
47	Smith, J.	1,420	939	66%	19%
48	Schauffer	1,451	943	65%	19%
49	Kahl	1,366	859	63%	20%
50	Matthews	1,078	636	59%	18%
51	Barton	994	558	56%	15%
52	VanOrman	754	402	53%	12%
53	Whisnant	1,474	897	61%	19%
54	Stiegler	1,226	723	59%	17%
55	Gilman	1,179	765	65%	17%
56	Garrard	1,253	908	72%	19%
57	Smith, G.	1,268	822	65%	19%
58	Jenson	1,551	998	64%	23%
59	Huffman	1,464	983	67%	21%
60	Bentz	1,226	866	71%	20%
House District Average		1,056	665	63%	18%

Source: OCPP presentation of IRS data for the 2006 tax year compiled and sorted by legislative districts by the Brookings Institution.