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Oregon Ranks Last in Claiming Earned Income Tax Credit

Oregon is in last place nationally when it comes to the share of families qualifying for the federal Earned Income Tax Credit (EITC) who claim it. That is costing the state's economy about \$124 million a year in foregone federal dollars, according to the Oregon Center for Public Policy.

About a quarter of eligible Oregon working families do not claim the federal EITC, [said the Center in a paper](#) that analyzed the most recently available data, dating from 2012. This tax credit helps low-income households make ends meet, and enjoys bi-partisan support as an effective anti-poverty tool.

“Working families missing out on these federal work-support dollars have a harder time getting by,” said Tyler Mac Innis, a policy analyst with the Center. “It also means fewer federal dollars ultimately flowing into businesses in communities throughout Oregon.”

Oregon's poor performance in 2012 was not unusual. In the five years of available data (2008 through 2012) Oregon ranked no better than 48th among all states and the District of Columbia in terms of its EITC participation rate.

While the precise reasons why Oregon ranks so poorly are not altogether clear, research has shown that certain categories of working families are less likely to claim the credit, Mac Innis said. They include families who live in rural areas, are self-employed, do not have a qualifying child or are not proficient in English.

“It should be a priority of Oregon policymakers to make a state agency responsible for promoting the credit,” Mac Innis said. “This is costing the state's economy millions in federal dollars and needlessly making life more difficult for families who are already hurting.”

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Note to editors and reporters:

Read the fact sheet [Last in EITC Participation: Oregon Leaves Millions on the Table](#), November 5, 2015.