

Leave no worker behind

All workers, no matter our place of origin, should be able to earn enough to care for our families. Laws seeking to lift up modest-paid workers should treat workers equally, without discriminating on the basis of immigration status.

That is why the Oregon legislature should end the exclusion of some workers from the benefits of the state's Earned Income Tax Credit (EITC) – those who file taxes using an Individual Taxpayer Identification Number (ITIN). Ensuring that the EITC serves all income-eligible workers advances the goals of the EITC, while promoting racial equity.

The EITC excludes certain workers, including many deemed essential

The tax credit created to boost the take-home pay of working families leaves out many who are paid low wages. Oregon follows the eligibility requirements of the federal EITC, which excludes workers who file taxes using an ITIN. Some 34,000 Oregonians use an ITIN. They are mainly undocumented workers who perform vital roles, often doing work considered essential during the pandemic. They make up more than a third of Oregon's agricultural workforce – those who plant and harvest the food we eat. They help power other key Oregon industries, such as food processing, retail, and construction.



Exclusion undermines the goal of the credit

The EITC aims to boost the economic security of workers, thereby improving household stability, the vitality of communities, and the life prospects of children. The policy recognizes that some jobs pay too little for workers to make ends meet and support a family. The credit raises the take-home pay of workers paid low wages, helping families afford the basics. Research shows the EITC improves the health of adults and children. Children do better in school, are more likely to attend college, and earn more as adults.

The exclusion of ITIN workers disadvantages families while depriving Oregon of the full gains from the EITC. Current policy denies the EITC to everyone in a household if just one member uses an ITIN. This means that 90,000 U.S. citizens living in mixed-status households in Oregon cannot benefit from the EITC. Most of the excluded citizens are children. These families already lack access to many supports available to other households, such as such as food and utility assistance, health insurance, and unemployment insurance.

Denying the tax credit to ITIN workers undermines their wellbeing and places obstacles in the path of their children – part of Oregon’s present and future.

Exclusion of ITIN workers deepens racial inequities

Most ITIN workers in Oregon are Latino or Asian-American. As such, the exclusion of ITIN workers from the EITC worsens existing racial inequities.

Remedy: Allow the EITC to benefit all workers

HB 2819 allows all income-eligible workers to claim the state EITC, regardless of how they file their taxes. Plus, it gives an additional amount to make up for what ITIN filers are denied under the federal credit – a strong equity feature of the bill. Removing the ITIN exclusion from Oregon’s credit requires about \$10 million per biennium, while the additional benefit offsetting the federal credit exclusion requires about \$105 million per biennium.

Ensuring the EITC serves all workers moves our state toward prosperity for everyone. It improves the economic security of working families, improves life prospects of children, supports the vitality of Oregon communities, and advances racial equity in our state.



Contact for more information or to get involved:

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Note: Citations and sources are available upon request. Most of the data is from the Governor’s EITC Eligibility Workgroup Report, 2021; and prior OCPP publications.