

## **Your Constituents Utilize the EITC Improving It Should Be Part of Any Revenue Package**

As the 2009 legislature enters its final weeks and considers revenue bills to balance the budget and make the state tax system more fair, each legislator should know that a significant share of their constituents utilize the Earned Income Tax Credit (EITC). The following tables and maps show that in the average legislative district one in seven taxpayers receives the EITC. In some districts, the figure is more than one in five.

As noted in the following tables, in 2006 the federal EITC brought \$391 million in federal dollars into Oregon, averaging \$6.5 million per House district, \$13 million per Senate district.

Oregon supplements the value of the federal credit with the Oregon EITC, which currently equals 6 percent of the federal credit.

Oregon's credit is small. The average recipient gets about \$85. Oregon's EITC is among the smallest of state EITC credits. At 6 percent it is only one-third the size of what it would need to be to rank in the middle of the pack among state EITCs. If increased to 18 percent, it would not only match the typical state EITC, but it would spare working poor families from paying income taxes on their wages.

Most states have moved away from levying income taxes on the working poor, but Oregon has not. Raising the Oregon EITC is the most targeted way to accomplish that goal.

Increasing the Oregon EITC would be a small but important step in making Oregon's overall tax system more fair. When state and local taxes are combined, Oregon's low-wage workers pay a higher share of their income in taxes than the highest-paid workers. The 20 percent of non-elderly Oregon families at the bottom of the income scale pay 9.3 percent of their income in state and local taxes, while the top 1 percent pay only 6.7 percent.

Increasing the Oregon EITC would start to reverse that imbalance. Moreover, it would help counter some of the regressive proposals seriously under consideration as the session enters the final weeks, such as increases in fuel and vehicle taxes and fees and increases in beer and tobacco taxes.

House Bills 2066 and 2768 and Senate Bill 392 each propose to improve Oregon's EITC by increasing its size to 18 percent of the federal credit. A significant number of constituents in every legislative district utilize the EITC. Improving the Oregon EITC should be part of any revenue package the legislature develops this session.

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## Your Constituents Utilize the EITC

Federal Earned Income Tax Credit by State Senate District, 2006						
Senate district	Senator	# returns	# EITC returns	EITC share	EITC \$	Share rank
1	Kruse	52,039	8,526	16.4%	\$14,918,378	7
2	Atkinson	54,078	9,418	17.4%	\$16,595,153	6
3	Bates	56,394	9,084	16.1%	\$15,998,158	8
4	Prozanski	51,243	7,251	14.2%	\$11,735,541	15
5	Verger	51,925	8,241	15.9%	\$14,060,630	9
6	Morrisette	51,474	8,155	15.8%	\$14,240,478	10
7	Walker	55,933	8,084	14.5%	\$12,816,710	13
8	Morse	53,131	6,269	11.8%	\$10,230,881	23
9	Girod	51,207	7,200	14.1%	\$13,190,956	16
10	Winters	52,101	6,904	13.3%	\$12,687,917	18
11	Courtney	46,650	9,547	20.5%	\$19,038,255	1
12	Boquist	52,474	7,438	14.2%	\$13,751,195	14
13	George	56,799	6,296	11.1%	\$11,412,122	26
14	Haas	57,347	5,613	9.8%	\$9,495,057	27
15	Starr	56,406	6,367	11.3%	\$11,746,968	24
16	Johnson	53,887	7,098	13.2%	\$12,319,918	19
17	Bonamici	65,595	5,500	8.4%	\$8,047,264	28
18	Burdick	60,799	4,651	7.6%	\$6,207,015	29
19	Devlin	56,948	3,456	6.1%	\$5,106,007	30
20	Schrader	54,619	6,121	11.2%	\$10,502,350	25
21	Rosenbaum	58,562	7,291	12.5%	\$9,369,309	21
22	Carter	55,218	8,632	15.6%	\$13,345,520	11
23	Dingfelder	53,202	7,239	13.6%	\$11,509,872	17
24	Monroe	50,744	9,836	19.4%	\$19,359,159	3
25	Monnes Anderson	54,152	7,995	14.8%	\$15,084,594	12
26	Metsger	58,993	7,252	12.3%	\$13,017,197	22
27	Telfer	69,750	8,863	12.7%	\$15,000,776	20
28	Whitsett	51,630	9,263	17.9%	\$16,863,762	5
29	Nelson	47,170	8,658	18.4%	\$16,198,511	4
30	Ferrioli	46,197	8,990	19.5%	\$17,048,202	2
<b>Senate average</b>		<b>54,556</b>	<b>7,508</b>	<b>13.8%</b>	<b>\$13,029,929</b>	<b>--</b>

Source: Brookings Institution analysis of IRS data for tax year 2006.

<b>Federal Earned Income Tax Credit by State House District, 2006</b>						
<b>House district</b>	<b>Representative</b>	<b># returns</b>	<b># EITC returns</b>	<b>EITC share</b>	<b>EITC \$</b>	<b>Share rank</b>
1	Krieger	25,767	4,256	16.5%	\$7,168,372	15
2	Freeman	26,272	4,270	16.3%	\$7,750,006	20
3	Maurer	26,005	4,855	18.7%	\$8,521,699	8
4	Richardson	28,071	4,563	16.3%	\$8,073,111	19
5	Buckley	28,394	4,642	16.3%	\$7,760,420	18
6	Esquivel	27,998	4,442	15.9%	\$8,237,095	21
7	Hanna	24,962	4,214	16.9%	\$7,325,345	14
8	Holvey	26,333	3,048	11.6%	\$4,429,268	47
9	Roblan	25,497	4,195	16.5%	\$7,242,852	17
10	Cowan	26,428	4,046	15.3%	\$6,817,778	23
11	Barnhart	26,194	3,456	13.2%	\$5,766,636	37
12	Beyer	25,283	4,699	18.6%	\$8,474,111	9
13	Nathanson	28,879	3,631	12.6%	\$5,464,974	41
14	Edwards, C.	27,060	4,453	16.5%	\$7,352,487	16
15	Olson	27,648	3,832	13.9%	\$6,824,375	30
16	Gelser	25,483	2,437	9.6%	\$3,406,506	53
17	Sprenger	25,308	3,834	15.1%	\$6,960,050	24
18	Gilliam	25,887	3,364	13.0%	\$6,227,365	38
19	Cameron	25,784	3,350	13.0%	\$6,303,846	39
20	Berger	26,325	3,555	13.5%	\$6,386,532	35
21	Clem	24,246	4,820	19.9%	\$9,344,538	3
22	Komp	22,407	4,728	21.1%	\$9,694,796	1
23	Thompson	26,507	3,679	13.9%	\$6,623,182	29
24	Weidner	25,966	3,760	14.5%	\$7,128,013	25
25	Thatcher	27,302	3,752	13.7%	\$6,992,202	33
26	Wingard	29,497	2,544	8.6%	\$4,419,944	55
27	Read	28,735	2,590	9.0%	\$4,243,586	54
28	Barker	28,615	3,023	10.6%	\$5,251,777	49
29	Riley	24,972	3,210	12.9%	\$6,053,821	40
30	Edwards, D.	31,434	3,157	10.0%	\$5,693,147	52
31	Witt	27,127	3,379	12.5%	\$5,826,722	42
32	Boone	26,759	3,718	13.9%	\$6,493,124	28
33	Greenlick	35,546	2,364	6.7%	\$2,651,176	59
34	Harker	30,051	3,137	10.4%	\$5,396,159	51
35	Galizio	30,093	2,567	8.5%	\$4,164,089	56
36	Nolan	30,704	2,084	6.8%	\$2,042,598	58
37	Bruun	28,812	1,998	6.9%	\$3,208,392	57
38	Garrett	28,136	1,458	5.2%	\$1,897,615	60
39	Kennemer	27,698	2,909	10.5%	\$5,018,224	50
40	Hunt	26,921	3,212	11.9%	\$5,484,126	45
41	Tomei	27,242	3,693	13.6%	\$5,583,404	34
42	Bailey	31,334	3,600	11.5%	\$3,786,726	48
43	Shields	28,606	4,009	14.0%	\$5,543,557	26
44	Kotek	26,624	4,626	17.4%	\$7,802,733	12

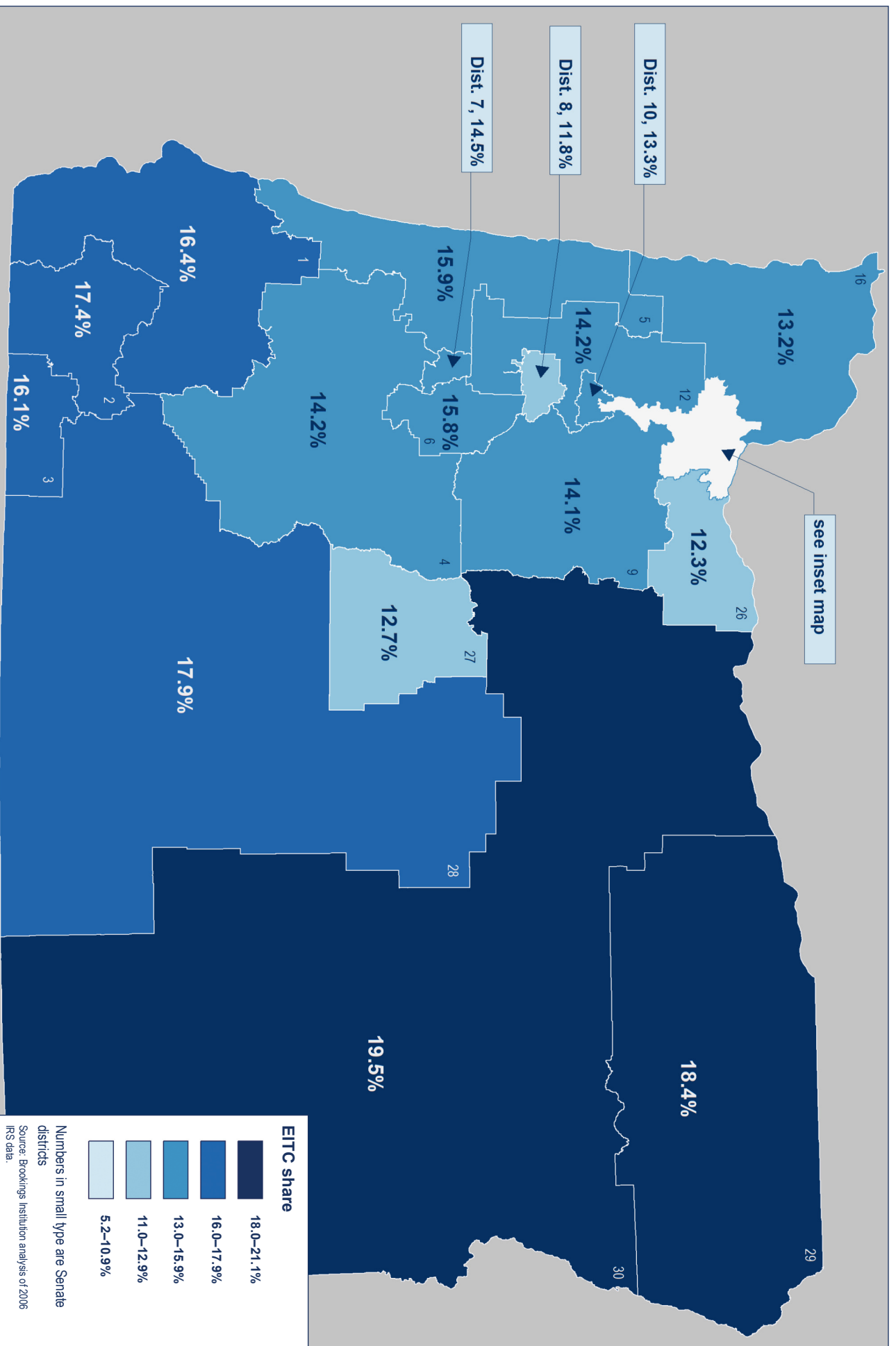
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Federal Earned Income Tax Credit by State House District, 2006						
House district	Representative	# returns	# EITC returns	EITC share	EITC \$	Share rank
45	Dembrow	26,752	3,543	13.2%	\$5,754,935	36
46	Cannon	26,424	3,693	14.0%	\$5,753,347	27
47	Smith, J.	25,169	4,870	19.3%	\$9,495,275	5
48	Schaufler	25,575	4,966	19.4%	\$9,863,885	4
49	Kahl	27,924	4,370	15.6%	\$8,293,346	22
50	Matthews	26,228	3,626	13.8%	\$6,791,248	32
51	Barton	31,066	3,812	12.3%	\$6,867,770	44
52	VanOrman	27,927	3,440	12.3%	\$6,149,427	43
53	Whisnant	33,613	4,655	13.8%	\$8,213,761	31
54	Stiegler	36,137	4,208	11.6%	\$6,787,015	46
55	Gilman	26,688	4,562	17.1%	\$8,217,662	13
56	Garrard	24,947	4,701	18.8%	\$8,647,087	7
57	Smith, G.	23,933	4,237	17.7%	\$7,799,093	11
58	Jenson	23,237	4,422	19.0%	\$8,399,418	6
59	Huffman	25,276	4,610	18.2%	\$8,554,094	10
60	Bentz	20,921	4,380	20.9%	\$8,494,108	2
<b>House average</b>		<b>27,279</b>	<b>3,754</b>	<b>13.8%</b>	<b>\$6,515,299</b>	<b>--</b>

Source: Brookings Institution analysis of IRS data for tax year 2006.

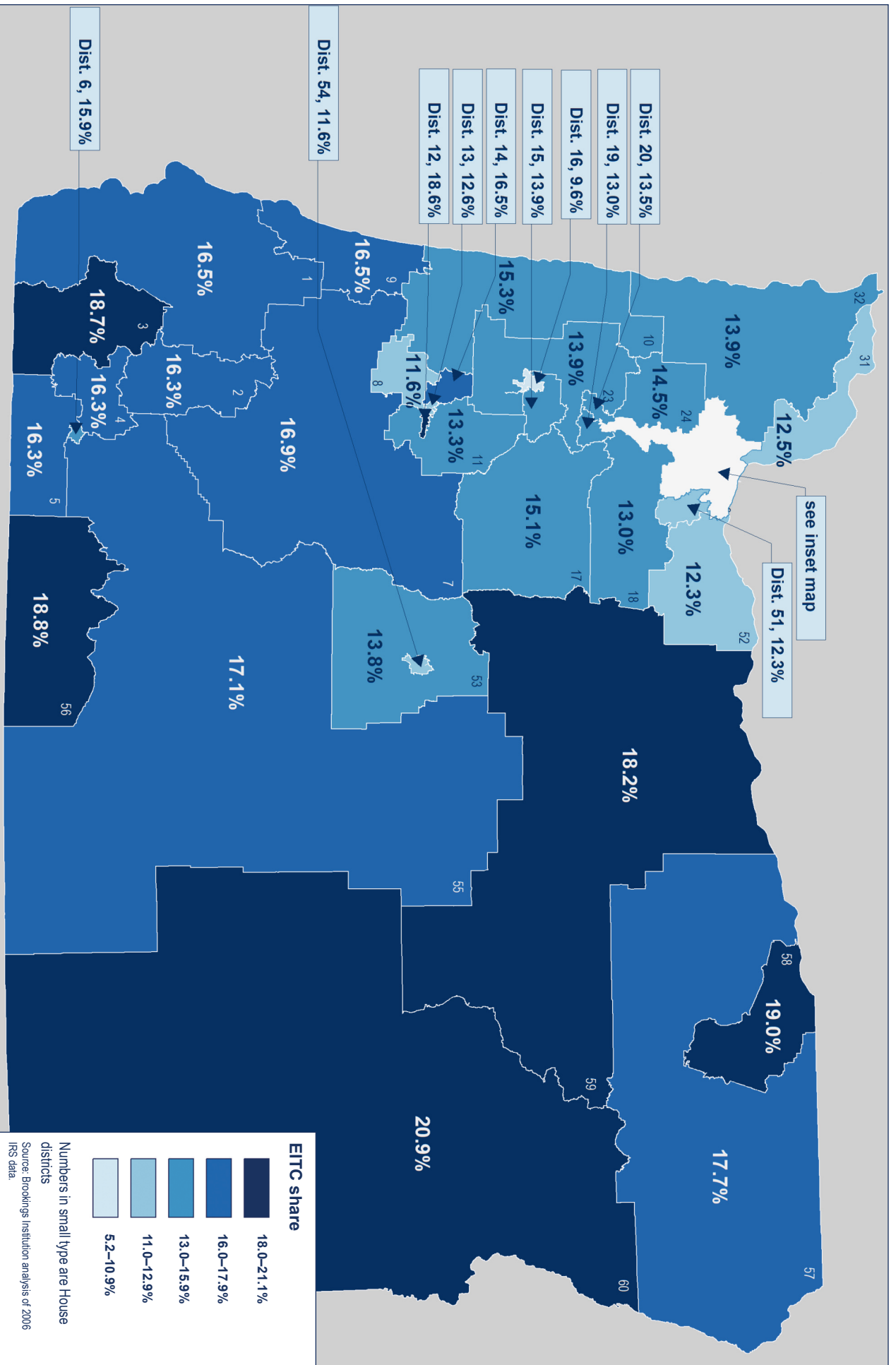
# EITC returns as a share of all tax returns, by Senate district

2006 tax year

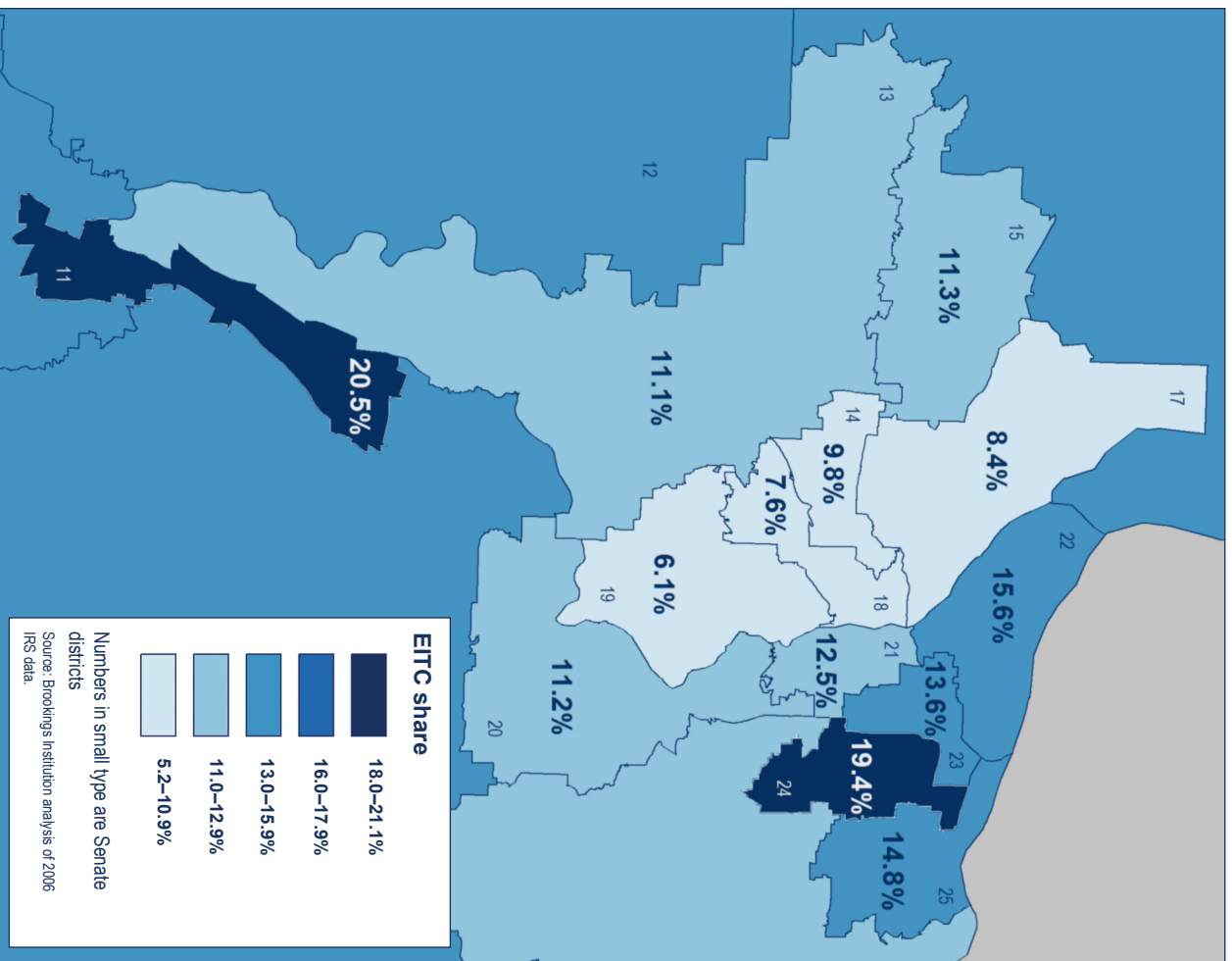


# EITC returns as a share of all tax returns, by House district

2006 tax year



## Senate districts inset



## House districts inset

