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## Ohio Senate Ways and Means Committee

Senate Bill 35

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**Lisa Hamler-Fugitt, Co-Chair, Advocates for Ohio's Future and  
Executive Director, Ohio Association of Foodbanks**

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Chairman Eklund, Vice Chairman Terhar, Ranking Member Williams, and members of the Ohio Senate Ways and Means Committee, thank you for holding this important hearing and allowing me to present testimony on SB 35, a common sense tax policy that supports work, and builds on the Federal Earned Income Tax Credit (EITC), the most effective national anti-poverty we have in our tool box. My name is Lisa Hamler-Fugitt, I serve as the Executive Director of the Ohio Association of Foodbanks, Ohio's largest charitable response to hunger, representing over 3,300 member charities. I serve as Co-Chair of Advocates for Ohio's Future (AOF), a broad-based coalition that advocates on behalf of 3.8 million Ohioans living below 200 percent of the Federal Poverty Level. The Ohio Association of Foodbanks is a long time member of AOF.

The American Dream has always been based on the premise that hard work leads to prosperity, but for too many working Ohioans, the connection between hard work and the middle class has been severed. No longer does full-time work guarantee economic stability, much less a middle-class income. Instead, a growing number of workers, particularly women and minorities, find themselves struggling to get by in an economy that has shifted toward low-wage, part-time and temporary jobs and contingent employment; and dead-end jobs that provide no access to employer-sponsored health insurance, no paid sick or vacation time, no paid time off, no opportunity to save for retirement, and no job security. Far too many hard-working Ohioans are forced to work more than 40 hours a week by stringing together numerous part-time jobs, and living a life in poverty.

A strong network of public-private partnerships and services, such as food assistance, affordable housing, health care, child care, transportation, employment and training programs, along with tax credits, are the best safety net to help stabilize the lives of poor working Ohioans.

SB 35 is a smart investment that boost the incomes of poor working Ohioans and their families. Providing them with a refundable tax credit helps them buy basics like food and medicine and pay the rent and utilities, while bringing a direct economic impact to the state's economy.

## Earned Income Tax Credit (EITC)

- Founded in 1975, the federal EITC is our nation's most effective anti-poverty program. The program has traditionally had bipartisan support at the federal and state level.
- 26 states have enacted refundable state EITC programs, furthering sound, targeted tax policy that rewards work because only families with earned income can claim the credit.

939,000 Ohioans get the federal EITC, which delivers \$2.3 billion to Ohio's families and communities each year.

Supporting a 10 percent refundable state EITC with no cap would mean one-third of low-income Ohioans earning between \$21,000-\$39,000 would receive a credit, with an average credit of \$620. And 38 percent of the poorest Ohioans with incomes under \$21,000 would receive an average credit of about \$451 under the reformed EITC.

In closing, the Ohio Association of Foodbanks sees everyday how millions of our friends and neighbors who work for low wages are forced to make tough decisions about paying bills, buying food, accessing medical care, and stretching their household budgets. That's why we implemented The Ohio Benefit Bank™ in 2006. The Ohio Benefit Bank (OBB) is a network of more than 1,000 non-profit and faith-based organizations that use a simple-to-use online software to provide referral and application completion assistance to connect low-income households with programs and resources that make those decisions a little bit easier. The OBB connects families with programs like food assistance, child care, tax credits, federal student aid, energy assistance, health coverage, and much more through one, streamlined platform and with the help of trained counselors at sites throughout Ohio.

Since its inception, the OBB network has assisted over 591,000 households with completing applications for work support programs and with free federal, state, and school district tax filing. More than 30,000 households annually now complete their federal and state taxes for free through the OBB, resulting in these families keeping and securing \$371 million in potential tax refunds, including hundreds of millions in refundable federal EITC and Child Tax Credits.

Making Ohio's EITC refundable and removing the income restrictions on the credit amount will go a long way in reducing Ohio's poverty rate. Chairman Eklund, Vice Chair Terhar, Ranking Member Williams and Members of the Senate Ways and Means Committee, thank you for your consideration of SB 35 this morning. I would be happy to answer any of your questions at this time.

### Sources:

<http://ohiofoodbanks.org/docs/publications/10th-anniversary-retrospective-final-web.pdf>  
<http://www.benefits.ohiofoodbanks.org/>

[http://ohiofoodbanks.org/docs/publications/SFY2016\\_annual\\_report.pdf](http://ohiofoodbanks.org/docs/publications/SFY2016_annual_report.pdf)