

SB 164-1

Chair Hass and members of the committee:

The Oregon Women's Rights Coalition thinks that SB 164-1 is an improvement on the bill passed in 2013 on pass through income as part of the "Grand Bargain". However, we are not in support of making a bad idea better.

In 1990 Oregon voters passed Ballot Measure 5 which limited property tax. One of the provisions of that tax was that the state would make up taxes lost to the reduction in property tax support of education.

Since that time voters passed Ballot Measure 47 which was so badly written the legislature needed to place an additional measure on the ballot, Ballot Measure 50. That limited growth in assessed value to 3% and based taxes on assessed value. It also rolled back the assessed value to 1995 value less 10%.

And what has the legislature done to help the transition to 1/3 funding of K-12 Education by the state to 2/3 state funding.

The Legislature has approved studies.

The Legislature has approved:

Income Tax Changes:

14 Subtractions

28 Credits

6 Other adjustments to the income tax

Property tax Changes:

27 Deferrals

11 Partial Deferrals

4 Special assessment

And that does not take into consideration the change in the estate tax for the big 3 F's.

Farming, Forest and Fishing. Revenue to the state has been reduced by hundreds of millions.

The voters approved increases in both the personal and the corporate tax when the legislature approved increases.

However, the Legislature did not revisit the decision to change Oregon's corporation taxes from the assessment on payroll, property and Oregon sales and allowed the 100 percent Oregon sales taxation to take effect in the mid 2000's. In the 1980's corporations were responsible for about 18% of general fund. Currently corporations account for about 6% of the general fund.

So why are you hearing a bill to improve but not eliminate another tax break based on business taxes.

The Joint Committee on Tax Reform should visit any issues related to taxation or tax credits before they appear on either the House or Senate floor.

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