

2019
OREGON REVENUE COALITION
Working Together for Oregon's Future

Criteria for Assessing Tax Breaks

(Tax Expenditure Report: <https://www.oregon.gov/DOR/programs/gov-research/Documents/te1921%20-%20Final.pdf>)

In determining which of Oregon's approximately 368 tax expenditures ought to remain in law and which ought to be cancelled, as well as in formulating a position on new tax expenditure proposals, the 2019 Revenue Coalition has updated its criteria for assessing appropriateness. Among our recommendations to legislators is that the body should scrutinize tax-expenditure proposals first to determine whether a direct subsidy or budget allocation would more efficiently serve the desired ends.

Assuming that the answer is "no" to that preliminary question, tax expenditure proposals may be considered but ought to accomplish one of the following purposes:

- Promote public education and job training
- Fight poverty, hunger
- Break down barriers for communities of color
- Make housing more affordable [*reasonably priced primary residences*]
- Promote child welfare
- Make health care more affordable and accessible
- Help workers and the self-employed save for retirement
- Create good jobs
- Protect the environment, save energy
- Help victims of disasters and theft
- Promote charitable giving
- Assist people with disabilities (needs-based)
- Help military personnel and veterans (needs-based)
- Help low- and moderate-income seniors make ends meet
- Assist those of lower income to engage in the political process.

The evidence in support of these outcomes must be a part of the analysis for a tax expenditure – existing or proposed – to meet these criteria. Finally, the Coalition recommends that no new tax expenditure or expansion of an existing one be adopted without removing an existing tax break of equal cost but lesser policy value, thus making such a change at least revenue-neutral.

As the Revenue Coalition has evolved in its 18 years of existence, advocating for progressive revenue policies, it has adopted a set of values through which its members evaluate all tax-change proposals. Our analysis of policies looks for evidence of adequacy, equity, progressivity, and viability, and we embrace a secondary set of values, as well. These are stability, simplicity, horizontal fairness, and neutrality (that is, a change should not reward an entity for economic activity it would otherwise engage in without the tax break).

We hope that the Oregon Legislature keeps these, the criteria and values of Coalition members, in mind as you address Oregon's revenue system in 2019 and beyond.

OREGON REVENUE COALITION: AN AD HOC GROUP OF ORGANIZATIONS REPRESENTING PUBLIC EDUCATION, LONG-TERM CARE, HUMAN SERVICES, ORGANIZED LABOR, CIVIL RIGHTS, THE FAITH COMMUNITY, AND OTHER AREAS. MEMBERS INCLUDE: AAUP-Oregon, Advocacy Coalition of Seniors and People with Disabilities, AFT-Oregon, Alzheimers Association, American Association of University Women of Oregon, Alcohol & Drug Program Association of Oregon, Asian Pacific American Network of OR (APANO), Association of Oregon Faculty, Brain Injury Association of Oregon, Cascadia Behavioral Health Care, Inc., Children First for Oregon, Columbia River Pensioners (ILWU), Common Cause Oregon, Community Action Directors of Oregon, Community Providers Association of Oregon, Confederation of Oregon School Administrators (COSA), Ecumenical Ministries of Oregon, Gray Panthers of Oregon/Greater Idaho, Human Services Coalition of Oregon (HSCO), ILWU, Jewish Federation of Portland, League of Women Voters of Oregon, League of Oregon Cities, National Association of Social Workers – Oregon Chapter, Neighborhood Partnerships, Oregon Advocacy Center, Oregon AFL-CIO, Oregon AFSCME, Oregon Alliance for Retired Americans, Oregon Alliance of Seniors and Health Services, Oregon Association of Area Agencies on Aging & Disabilities (O4AD), Oregon Center for Public Policy, Oregon Education Association, Oregon Environmental Council, Oregon Health Care Association, Oregon Hunger Relief Task Force, Oregon School Boards Association (OSBA), Oregon School Employees Association, Oregon State Firefighters Council, Oregon Student Association, Pacific Northwest Council of Carpenters, PCUN, Rural Organizing Project, SEIU-OPEU, Social Justice Alliance of Josephine County, Support Oregon Services Alliance (SOSA), Survivors Advocating for an Effective System (SAFES), Tax Fairness Oregon, United Cerebral Palsy of Oregon & SW Wash., United Seniors of Oregon, Urban League of Portland, Women's Rights Coalition