

I am in support of SB 842. I believe it is wrong for the State of Oregon to tax a portion of my federal stimulus payment by reducing the amount of federal tax liability I can subtract on my 2020 Income Tax Return.

The Economic Impact Payments were created to help reduce the financial burden of COVID-19 on individuals and families. That financial burden was very real to me as an independent contractor when all the venues were closed where I would ordinarily work. I have read that the State of Oregon has received over \$6 billion in federal relief money, yet they find it necessary to grab more by taxing my individual stimulus. That should have been a known problem in time to have it fixed before people began filing their 2020 returns. Instead, I have to hope this bill passes and the State will actually refund the additional money it has cost me.

People who file their taxes with software such as Turbo Tax probably aren't even aware that their federal tax liability is being reduced on the State form. Unless you read the tax form instructions and inspect the worksheets, you may not realize that the result is taxation on stimulus money. That's why I believe that State needs to automatically adjust returns and issue refund checks. It will be a hardship for most people to amend a return or apply for a tax credit the next year. The State is apparently able to adjust returns for the newly created unemployment exemption, so they should be able to do the same for taxation on stimulus money. This won't be just a 2020 problem: stimulus money was again disbursed in March which will create the same problem next year for people who had already filed their tax returns. If this bill passes, the State needs to get busy and make the necessary corrections on the tax forms.