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To: Senate Finance and Revenue Committee, Chair Beyer and Members

RE: *SB 1569 [Collecting REAL-D data on PIT]*

Please accept this written testimony in enthusiastic support for a bill that I proposed last summer 2021 and worked with many others to develop in the ensuing months, which would create a mechanism for the voluntary reporting of race and ethnicity data so that lawmakers and researchers would have one more tool with which to analyze proposed and existing tax policy fairness.

By encouraging personal income taxpayers in Oregon to self-identify a primary and up to two additional race/ethnicity demographic indicators, a data bank will be created from which, we hope, future legislators and the state economist may deduce whether and how our tax system impacts taxpayers by demographic groupings. Likewise, a racial impact analysis of proposed legislation will also be possible, ensuring that you and your future colleagues will have more information upon which to determine the efficacy of revenue proposals.

In developing this legislative concept, we tried to think of every entity that would have a perspective to share about the idea. We reached out first to various advocacy groups representing communities of color, some of whom you will hear from in testimony. We reached out to the Legislative Revenue Officer to gain an understanding of how this concept might best be construed to help LRO in its work. We reached out to tax preparers, including Intuit, H&R Block, and the CPAs, to make certain that this bill would not unduly disrupt or inconvenience them. We consulted many legislators, too, whose ideas are also reflected in this bill. And, most importantly, we partnered with the Oregon Department of Revenue, whose expertise and involvement was essential to craft a bill that would meet all needs and fully consider the ramifications of this idea. Their involvement, expertise, and collegiality were nothing short of extraordinary.

We learned through this effort that great care needed to be taken to ensure that the data could not be misused, and so we included language (including the technical changes in the dash 1 amendments):

- that limits race/ethnicity data access to DOR Research, LRO, and the State Economist;
- that bars tax preparers from the race data's use except in tax preparation;
- that creates a "firewall" at DOR to separate out research access from tax collection/compliance; and
- that includes a five-year period of legislative oversight to ensure that the protections in the bill are efficacious in preventing inappropriate data use.

If this body agrees with the 25 bipartisan, bicameral legislative sponsors of SB 1569 that this is a good idea that should be enacted, Oregon will be the first state in the nation to collect this data. And because of the excellent work in the health care space that exists to offer tax filers a culturally appropriate array of demographic identifiers, we have a 38-indicator list already developed that will be used in the voluntary data schedule attached to the personal income tax return. Also on that schedule will be an explanation of why the information is being requested and how it will and will not be used.

I was honored to offer this idea as my last project representing the 41,000 members of the Oregon Education Association, and it is as a private citizen that I now urge your support for its passage with the dash 1 amendments adopted.

Thank you.