



SB 1524, Section 2: medical provider tax credit

Testimony for the Senate Finance Committee – John Calhoun – 2.16.2022

Good morning, Chair Beyer, Vice chair Boquist, members of the committee. My name is John Calhoun and I am speaking on behalf of Tax Fairness Oregon, a group of volunteers who advocate for a rational and equitable tax code.

I want to raise concerns about SB 1524, Section 2. Section 2 adds medical laboratory scientists and medical laboratory technicians to the list of medical staff that get the rural medical provider tax credit of \$3-\$5,000 per year. The current list includes physicians, dentists, podiatrists, optometrists, physician assistants, certified registered nurse anesthetists, and nurse practitioners.

The only testimony we have heard supporting this measure comes from Rep Levy who is representing a hospital and laboratory in her district. Rep Levy also stated that this bill is needed because they are losing staff to employers across the state line in Washington where they do not have to pay a state income tax. However, this measure will add people across the state, not just in her district.

We understand the concerns of medical providers today who are having difficulty retaining and hiring trained staff. However, that is now a national problem because of Covid. Staff shortages impact towns and cities across Oregon. There are openings for hundreds of nurses and lab technicians in Portland metro. Portland also is across the river from Washington.

The questions facing this committee are how many more medical specialties they want to add to the current list, especially if lab technicians are to receive the same tax credit as doctors. Should this whole program be studied before the legislature adds piecemeal additions? If the problem Rep Levy's district suffers from is competition from the state of Washington's tax structure, why are we providing a statewide benefit for providers in central or coastal Oregon, hundreds of miles from the Washington border. Why are rural towns near Washington at any more risk than larger cities on the border?

We suggest that this section be removed from SB 1524 and the rural medical provider tax credit be studied so that this program can properly addressed in a full session.

Thank you.