



SB 1: Add question on race and ethnicity to the Oregon Income Tax form

Sponsors: Senate President Wagner (Chief), Senators Campos, Dembrow, Jama, Patterson, and Representative Khanh Pham

Policy

Add an optional question to the Oregon personal income tax form asking for taxpayer race and ethnicity in order to examine tax policy and Oregon's current tax structure to observe any race-related distributional impacts. This will help lawmakers, researchers, and advocates understand tax policy in a way that is not possible now.

SB 1 charges the Department of Revenue (DOR) with creating a schedule to enable taxpayers to use the REAL-D (Race, Ethnicity, Language, and Disability) race and ethnicity identifiers as the list from which a taxpayer may select up to three options. A firewall inside the department will ensure that the data will not be used by auditors or for tax compliance purposes. Taxpayers will be able to check a box that says "Choose not to answer" if they do not want to disclose this information.

The schedule will serve as an addendum to the personal income tax form, so that it is separable and flows to the research arm of the agency, rather than the tax compliance side. Instructions and nearly 40 race and ethnicity identifiers per taxpayer – with the opportunity for each individual to select a primary and up to two other categories – will be the content of this schedule, along with information explaining the purpose of the data collection and taxpayer protections.

In addition to the firewalls inside DOR to protect these data, a section has been added to enable annual legislative oversight of the efficacy of these taxpayer protections.

Collaborations

OEA and OCPP are the initial co-requesters of the bill. We have collaborated with an array of community-based organizations serving Black, Indigenous, and other Oregonians of color to develop the legislation and are grateful to the endorsing organizations listed above.

Advocates have collaborated with the Director and staff of DOR to fine-tune the legislation. We have collaborated with the Legislative Revenue Office to brainstorm how best to write the bill for their research purposes as well. We have worked to minimize fiscal impact and operational issues.

Contact

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