



Oregon Women's Rights Coalition

SB 456-1 Amendments and Underlying Bill Oppose

Chair Meek, and members of the Committee

The Oregon Women's Rights Coalition has spent many hours advocating for a more equitable tax system so that services for Oregonians are maintained. Our citizens should be able to feed their families, provide shelter and clothing and succeed in life.

In 1990 Oregon services were funded with the personal income tax, a corporate tax system that was based on employees in the state, property in the state and sales. Some resources came to the state through the Oregon Lottery.

In 1990, Ballot Measure Five limited the property tax and changed the way K-12 Education was funded. The measure required the state to make up the losses from property taxes in funding schools. Almost immediately the effects were felt by the University system. While the education limitation was phased in over 5 years, the portion of property tax freeze for other general governments took immediate effect.

The additional BM 47 redone by BM 50 took property values back to 1995 levels and imposed a maximum growth of 3%.

And the Legislature also changed the way corporations were taxed.

In 2001, Oregon began phasing in a "single-sales factor" formula. Under this formula, only in-state sales relative to all US sales matter in determining how much of a company's profits are apportioned to and thus taxable by Oregon; it doesn't matter how much of their property or payroll is based in Oregon. The Legislative Assembly in 2005 cut short the phase-in process and fully phased-in the "single-sales" formula for tax years starting on or after July 1, 2005. 1.

Other prominent, profitable firms such as Intel also received a massive tax break from "single sales." When large, profitable businesses reduce their tax obligations, small businesses and individuals get stuck with paying more of the cost of state services. 2.

So, what does this have to do with the estate tax? If corporations don't pay as they formerly did through the 1/3 apportionment for schools, universities, police, fire, and the judicial system, someone else pays.

During the hearing on SB 456 Senator Findley suggested that all proposals should be tied to a CPI increase.

The Oregon Women's Rights Coalition could support that proposal. Let's look at what it would be for just one program which the state administers and for which the Oregon Women's Rights Coalition has advocated.

The TANF program was enacted by Congress in 1996. The goals are to help families struggling to provide food, housing, and clothing for their children. In 2017 to qualify for cash assistance a family asset needed to be at 37% or lower of the Federal Poverty level. That would be \$616 for a family of three. When the program originated a family of three cash allowance was \$494. Using the rate of inflation from 1996 to now the cash assistance would be \$955.14. However, the cash allowance for TANF families of three in Oregon is \$506. 3.

Because of the situation with the budget, the Policy Option Package to help these families was not included in the Governor's Budget.

We would like to see these struggling families benefit.

The argument made that we should not have an estate tax would fare better if we were providing for Oregon families through our system of taxation. But since the 1980's and especially in the 1990's and into the 2000's we continued to reduce the amount that corporations and the wealthy are taxed.

Until the families on TANF can have help to become self-sufficient we should not consider any changes to the estate tax.

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<https://www.ocpp.org/2007/01/30/single-sales-modern-robber-baron/> 1&2

<https://www.oregonlegislature.gov/lpro/Publications/Issue%20Brief%20-%20Temporary%20Assistance%20for%20Needy%20Families.pdf> 3

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