

February 21, 2024

House Committee on Revenue
900 Court Street
Salem, OR 97301

RE: Support HB 4031 - Protect Private Taxpayer Information at All Levels of Government

Chair Nathanson, Vice-Chairs Reschke and Walters, Members of the Committee:

HB 4031 clarifies state law to exempt local income tax information from disclosure under public records law just like at the federal and state levels.

With the implementation of several new local taxes to pay for critical services, aligning confidentiality and disclosure requirements at the federal, state, and local level has become increasingly more important. There is currently a disparity in state law where absolutely no taxpayer information is made available through public records requests at the state level but the same is not true for local income taxes. This means that local tax administrators must release peoples' names, addresses, dates of birth, social security numbers, along with other private information when requested related to important local income taxes. No other jurisdictions in the nation are required to reveal this private information.

In recent years, Metro partnered with stakeholders to ask voters to support housing for our region's vulnerable community members. Historically, local systems of homeless services and affordable housing have been deeply underfunded compared to the funding that is needed. In 2018, Metro voters approved a \$652.8 million affordable housing bond. In May 2020, voters in greater Portland approved a Supportive Housing Services (SHS) measure to fund services for people experiencing or at risk of homelessness. The measure creates a 1% marginal tax on high-income earners and a 1% tax on net income from businesses operating within Metro's jurisdiction. The tax sunsets after 10 years in 2030.

The SHS measure and its implementation are built on the philosophy that everyone can better address life's challenges, maintain wellness and thrive when they have housing. Progress of the SHS program dollars at work are below (data covers through September 30, 2023).



Metro's local income tax has allowed local stakeholders to address the homelessness crisis. A local income tax is a tool in the toolkit, and we cannot afford to make it less effective as Metro revenues are constrained by the property tax system, like many other local jurisdictions. If local taxpayers know their tax information will be made public, then they will be less likely to support these types of local tax measures in the future. In Metro's case this puts both our business partners and our individual residents making more than \$125,000 single or \$200,000 jointly, are at jeopardy of having their income tax information released. This could put businesses doing business in the Portland Metro area at a competitive disadvantage by revealing confidential financial information to competitors. Furthermore, in the Metro region's wealthy residents graciously helping solve local problems may have their confidentiality violated and think twice about living in our region.

We urge you to close this local loophole and support HB 4031.

Respectfully,

Jenna Jones
State and Regional Affairs Advisor
Metro