



SB 387 Property tax exemptions for disabled veterans

Senate Finance Committee – John Calhoun – 4.9.2025

My name is John Calhoun and I am representing Tax Fairness Oregon, a network of volunteers who advocate a rational and equitable tax code.

I served in combat in Vietnam, but I was fortunate. I came home with no metal in my body and all my fingers and toes. We have a duty as Americans to take care of those who truly suffered from service-related injuries, especially those who are rated as 100% disabled.

I want to commend the bill's sponsors for crafting a property tax relief bill that does not saddle the local governments with the cost of a state legislative decision. At the same time, without a fiscal projection of the cost of this bill it is hard to determine how passage will impact a very tight budget and what other state priorities will have to be cut back either within the Department of Veteran Affairs or from other state programs.

SB 387 is an extraordinarily generous increase in benefits and eligibility. Increasing eligibility from those whose income is below 185% of poverty to a limit of taxable income of \$240,000 per joint return seems hard to justify when the medium household income in Oregon is about \$80,000 and in many counties is much lower. In addition, the amount of the property exemptions are increased by 400% or more.

There may be ways to limit the cost through amendment such as limiting an increase in the current exemption to the 100% disabled and adding a much tighter income limitation. Another option would be to include severely disabled veterans, if they are not currently eligible, in the Senior and Disabled Property Tax Deferral Program and promote it by the Department of Veterans Affairs. That program might need to be amended to include eligible disabled vets as Washington State does.

As you are all well aware, we are facing an unprecedented cut in our federal funds. The probability of a recession increases daily. We may soon be faced with deciding how many people we must kick off the Oregon Health Plan and how many other existing programs must be cut back.

In the meantime, SB 387 adds to the many other bills seeking tax credits or tax expenditures at a time when we already have a budget deficit and are having difficulty finding funds for wildfire prevention and suppression. We cannot afford each of those seeking tax credit additions or increases for volunteer firefighters, rural medical providers, film production, and child care workers.

I do not envy your job in working through the many competing demands of people in distress.

We read the bills and follow the money