



TAX
FAIRNESS!
OREGON

HJR 18, HJR 19, HB 3008 and HB 3009: Calling Attention to Oregon's Ever Expanding Tax Expenditures!

House Revenue 3.9.2011 testimony of Jody Wiser

MEASURE: HJR 18
EXHIBIT: A
HOUSE REVENUE COMMITTEE
DATE: 3/9/2011 PAGES: 1
SUBMITTED BY: JODY WISER

Each of today's measures calls attention to the fact that in Oregon 53 cents of every dollar the state could be collecting is spent via the tax code in tax expenditures of one kind or another.

Obviously, we can't have an honest conversation about the budget without a conversation about this half of the budget.

We must start addressing tax code spending in the same way we do program spending as called for with HJR 19. In a state where the Governor can cut budgets by 8,9 or 12% across the board, all by himself, or the legislature can approve budgets with a simple majority, it makes no sense that the other half of the budget, tax expenditures, requires a super majority vote. **We urge you to move forward with HJR 19.**

Some tax expenditures are dictated by law - we can't tax federal land or federal pensions, for example. But a good deal our tax code spending is because of decisions made by the Oregon legislature.

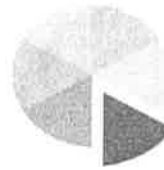
This session we've been astounded at the huge number of new tax credits proposed and being heard in Salem. Most of the goals of the bills could be better achieved via program spending. But for years avoiding Ways and Means has been the path of least resistance. It's time for tax code spending to face the same kinds of constraints as budget spending.

We look forward to seeing effective review and priority setting by the Tax Credit Committee. It's hard to say we should jump on the band wagon and sunset everything, as is suggested by HB2008, without seeing that this session's effort is a success story. But **HB 2008 is an idea we embrace.** There is more to be addressed than the tax expenditures so ably called to account by HB 2067 in 2009, the mortgage and senior medical deductions quickly come to mine.

Similarly, without proof that this legislature can really examine a tax expenditure and fix it or turn it out, it's equally hard to agree with HJR 18 which says that on January 1, 2013 Oregon will reduce our tax code spending to 33 cents of each dollar, or else.

We are hopeful that this year's Tax Credit Committee, acting within a cuts budget from Ways and Means - and effectively becoming a subcommittee of Ways and Means -- works.

Just as our budget is capped by the anticipated revenue, in good years and in bad, so should our tax expenditures be capped, in good years not just in bad. New ideas, expansions or unanticipated jumps in expenditures would then become issues facing PayGo, and the Tax Expenditure Committee would become a vital part of our state's budget management system.



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House Revenue 3.9.2011 testimony of Jody Wisner

MEASURE: HJR 19
EXHIBIT: A
HOUSE REVENUE COMMITTEE
DATE: 3/9/2011 PAGES: 1
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MEASURE: HB 3008
EXHIBIT: A
HOUSE REVENUE COMMITTEE
DATE: 3/9/2011 PAGES: 1
SUBMITTED BY: JODY WISSER



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House Revenue 3.9.2011 testimony of Jody Wisner

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