



## **HB 2503: Governor's reduction of tax expenditures**

House Revenue Committee, Monday, April 8, 2013, Jody Wiser

Conceptually, this is an eloquent idea. We should look at all parts of the state's budget when faced with shortfalls in income. And not just for the state, but also for the other jurisdictions that serve the people of Oregon.

But in practice, while it would work with some simplicity for most personal and corporate income tax expenditures, making it work would create a good number of new jobs.

One can imagine the Cultural Trust and Political tax credits, itemized deductions and research and development all worth 10% less. While equally valid, it would be much harder to suddenly get 10% of the forgone property taxes of the Providence Health System and all churches in the state, or to collect taxes on all the donated income of small non-profits.

Yet, such an effort might make it clear just what the laws of the state are, and who benefits. As a congregation struggles to come up with several thousand in property taxes and the state does the same -- but with a price tag in the millions, and the federal government receives its property tax bill, it would indeed be an interesting time to read the newspaper.

So much of our tax code is embedded in our understanding of the how things operate at a rather unconscious level that much would surprise, and make evident what values are expressed in our tax expenditures. We urge further work on this legislation, with a workgroup or during the interim, as it will establish a way to address all sides of spending established by this and prior legislatures.