

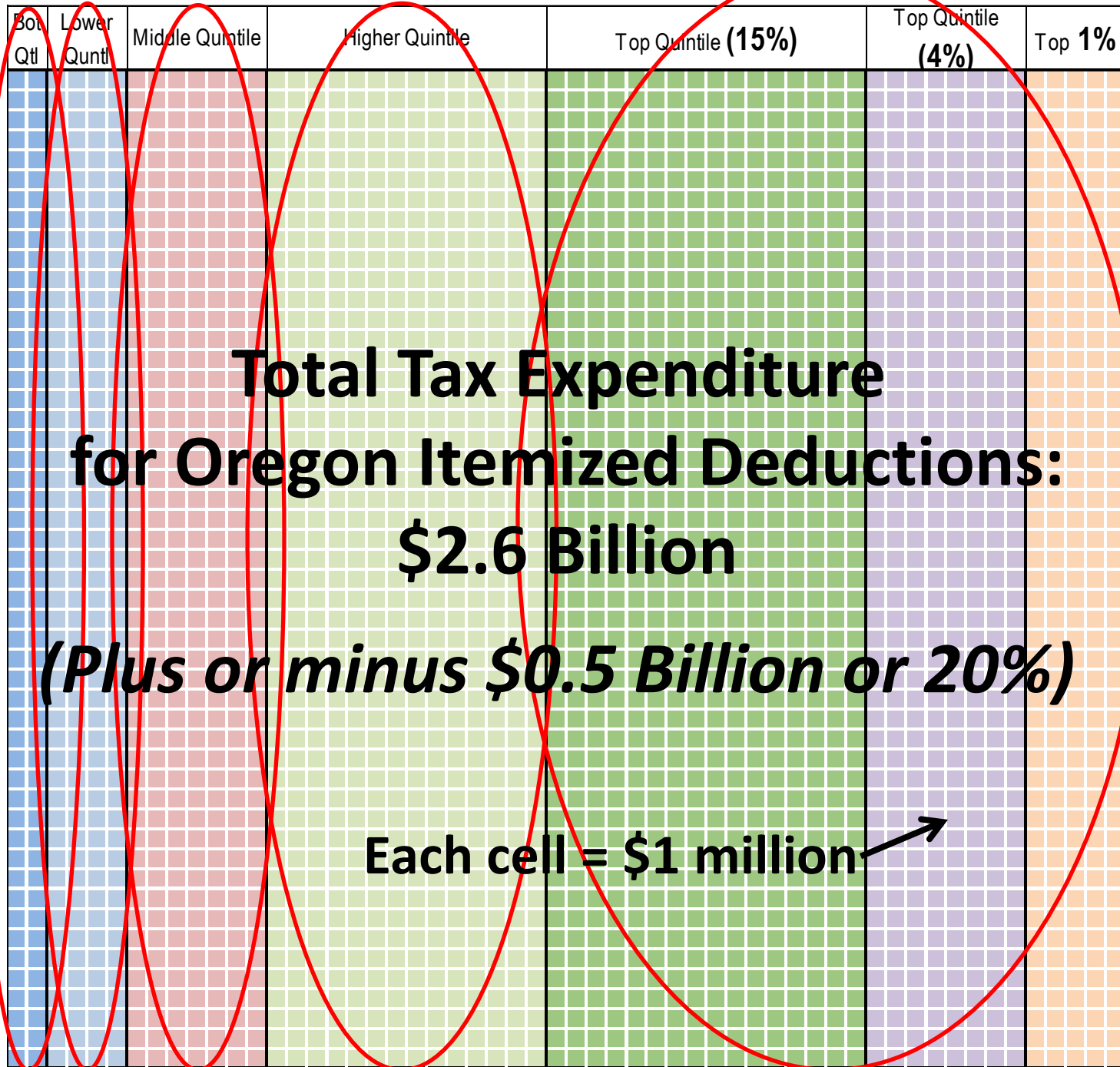
HB 2456:

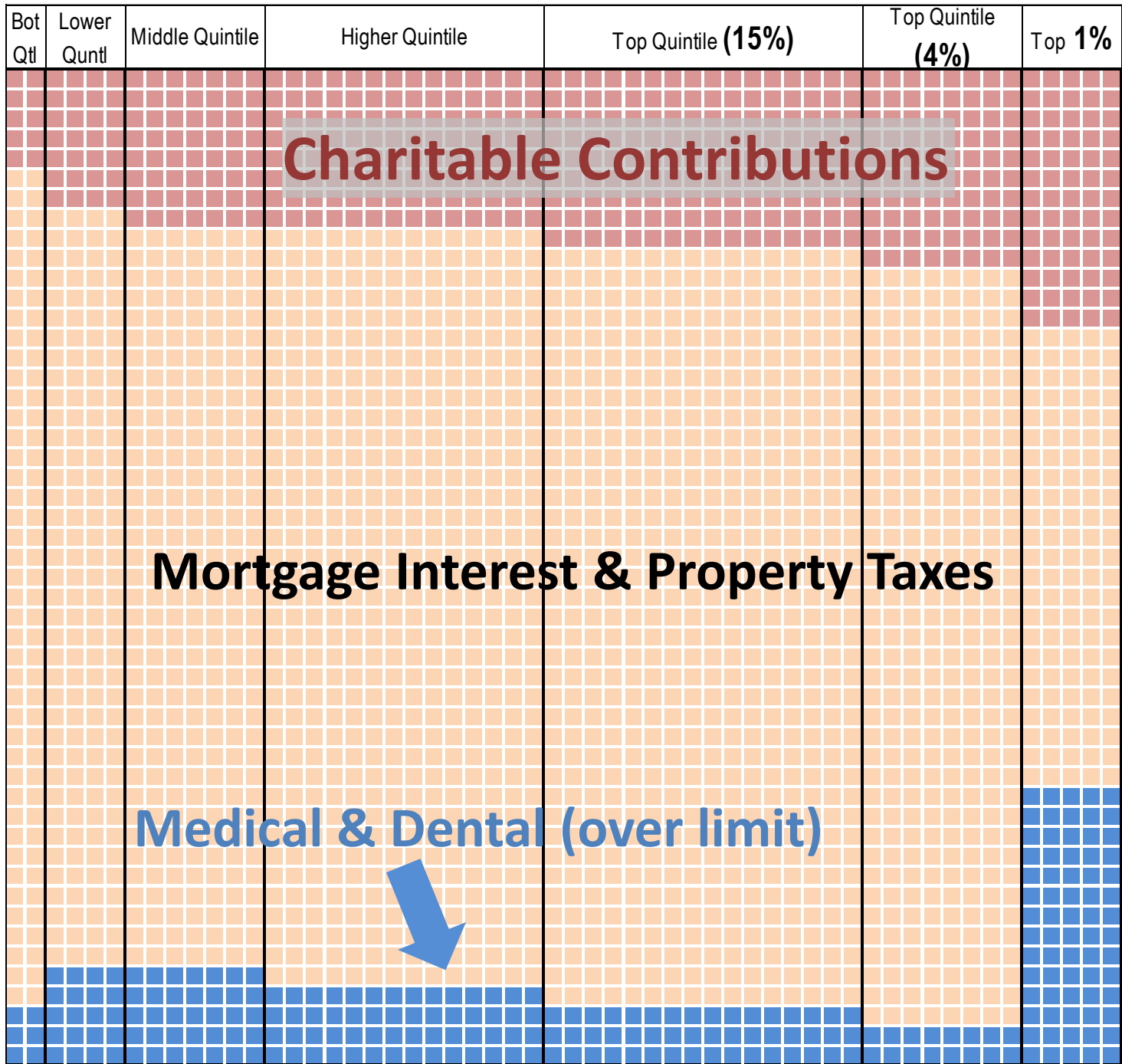
How to raise \$170 million by phasing
out itemized deductions for top
income earners

Steve Robinson

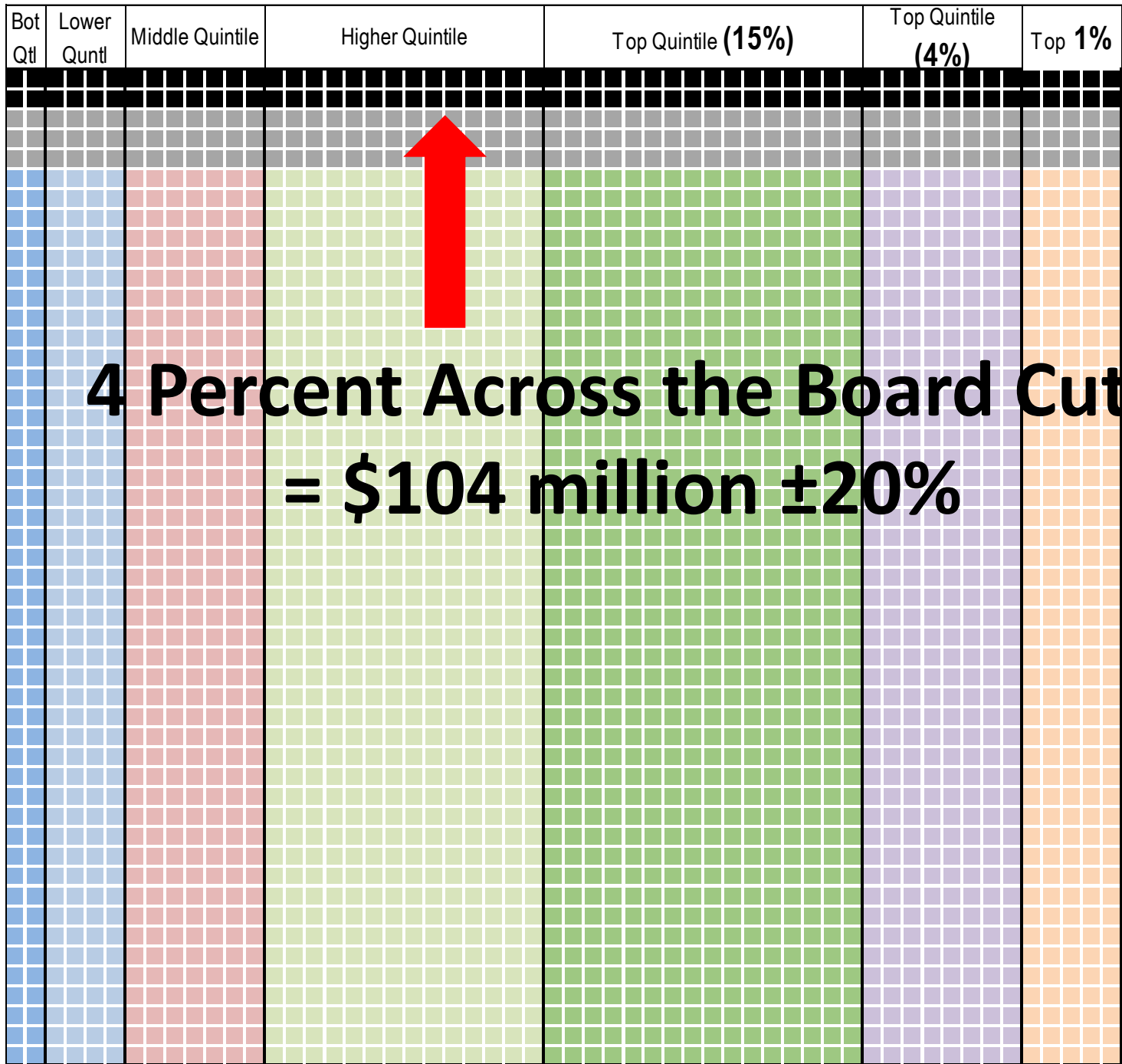
Decision Metrics

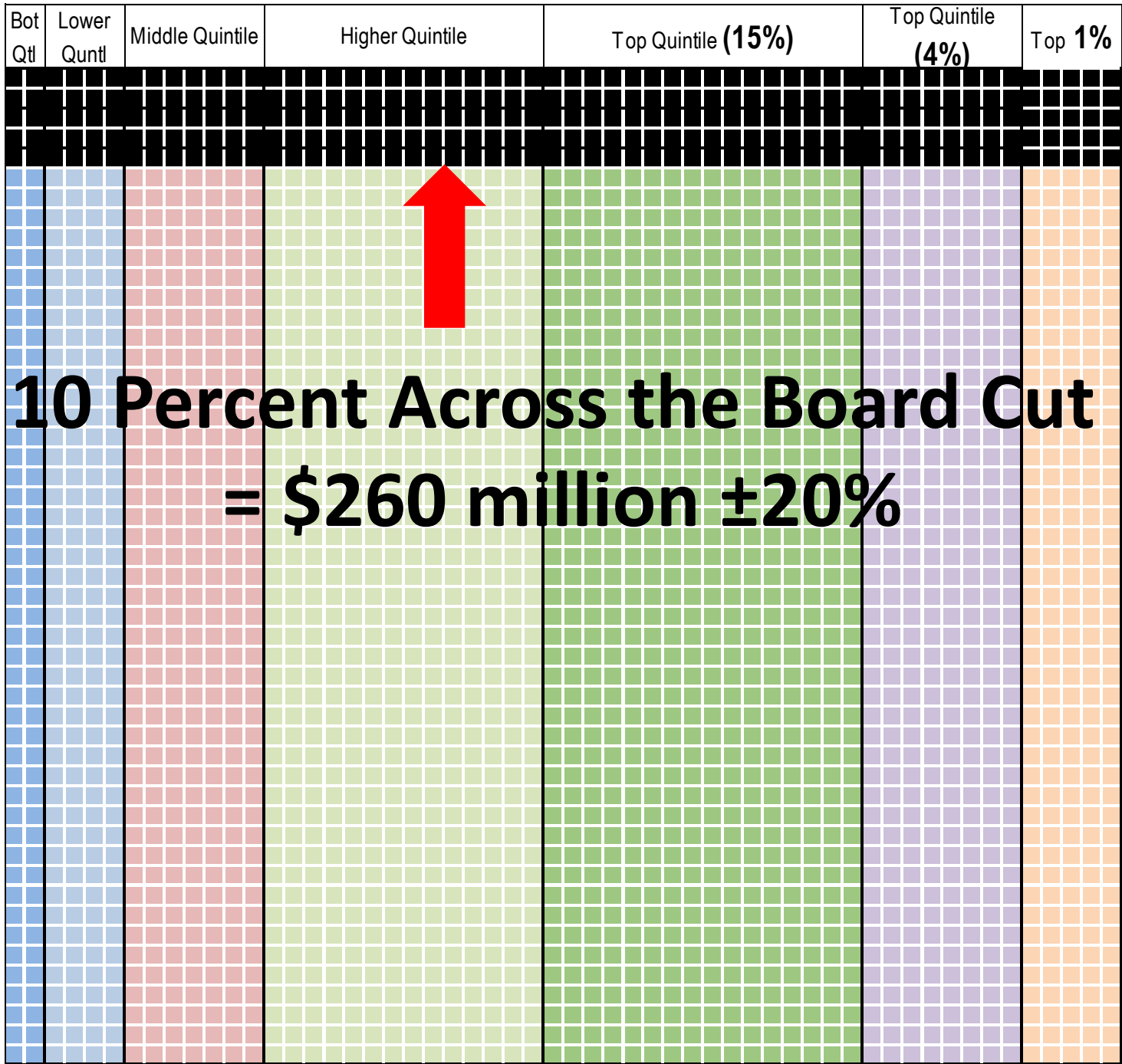
House Revenue Committee April 10, 2013

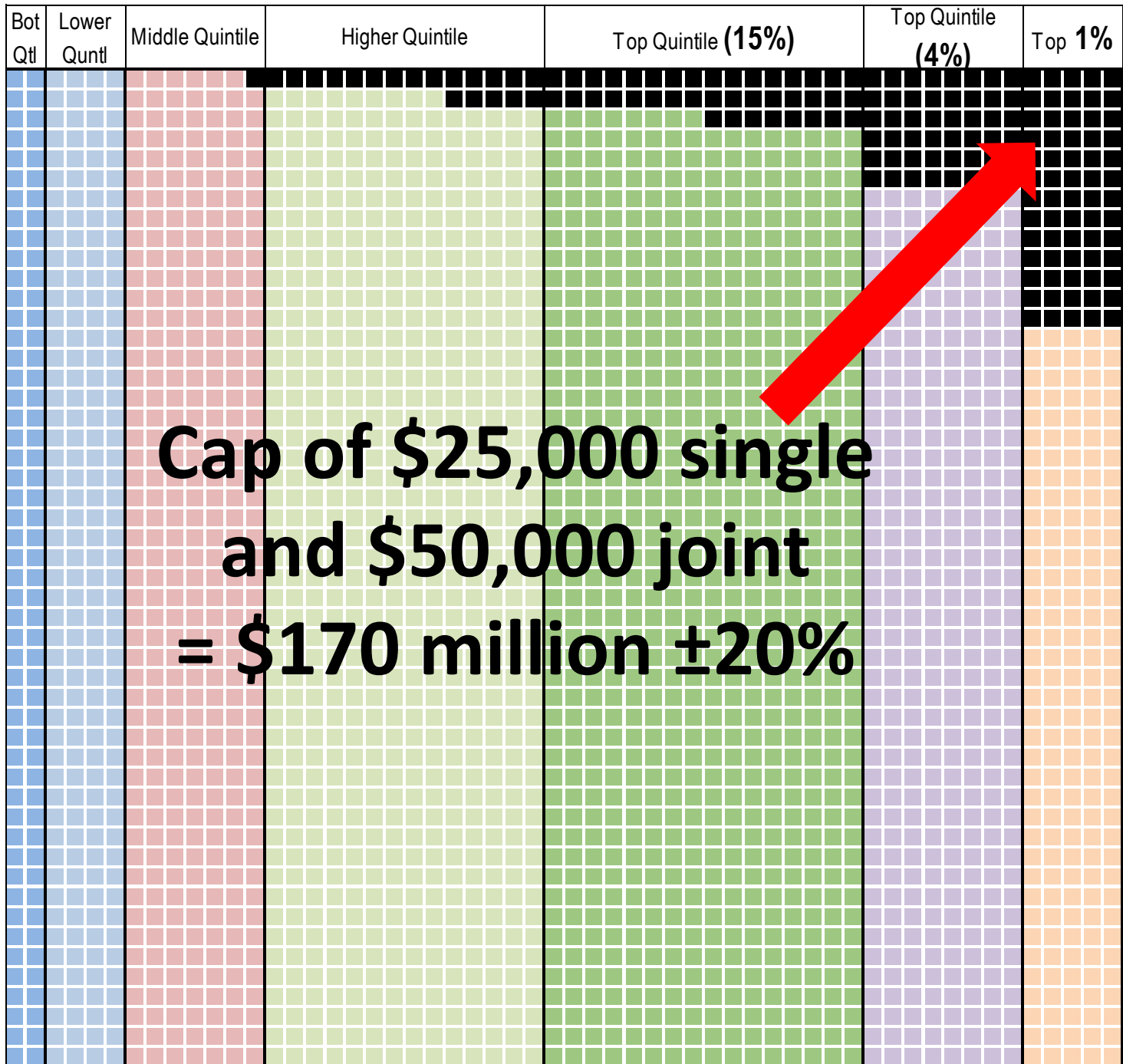


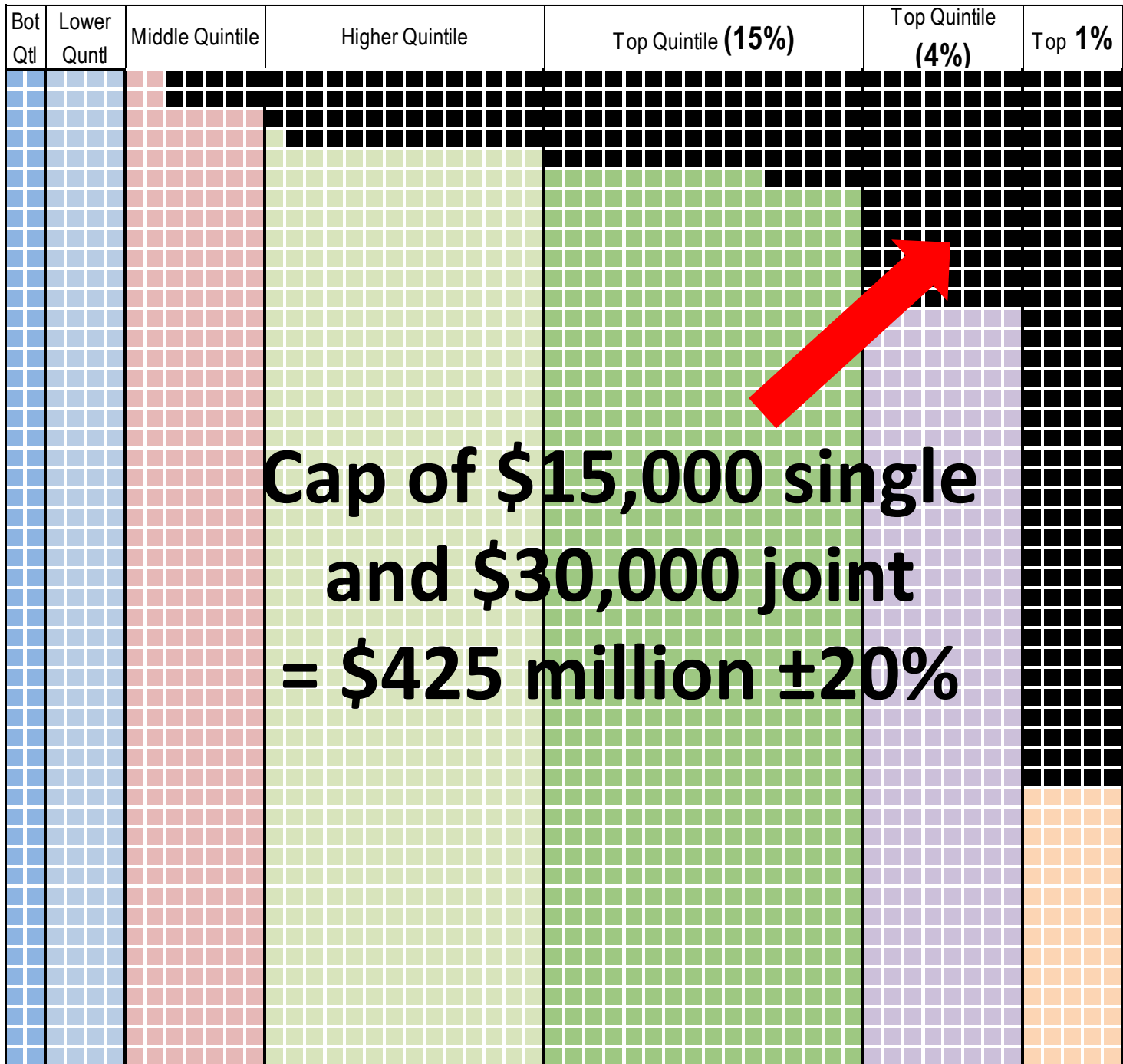


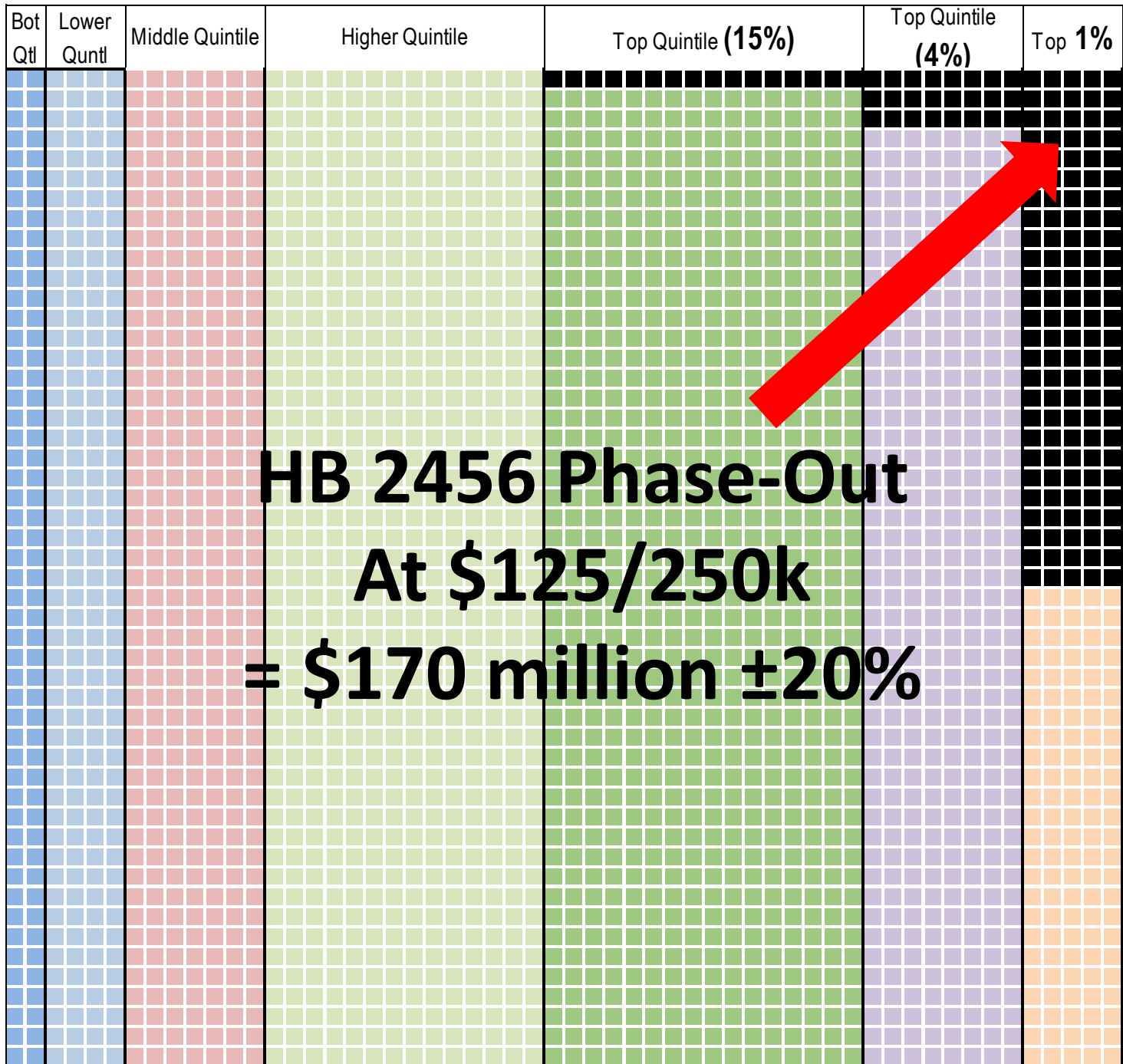
Revenue Raising Options Using Oregon Itemized Deductions









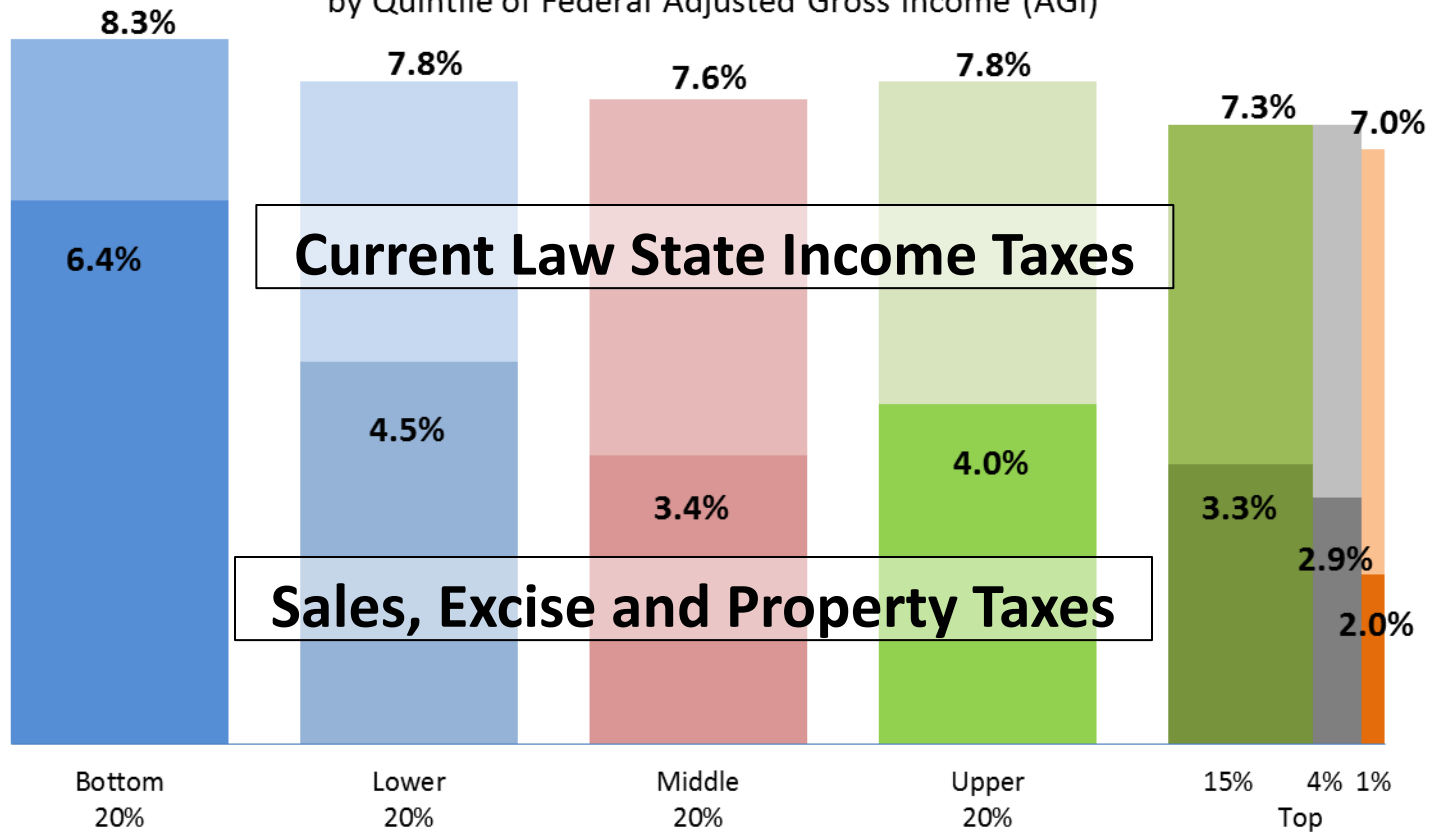


**Distributional Effects of
Cuts and Caps
vs.
HB2456**

Who Pays How Much State and Local Tax

2013 Tax Law, 2010 Income Levels

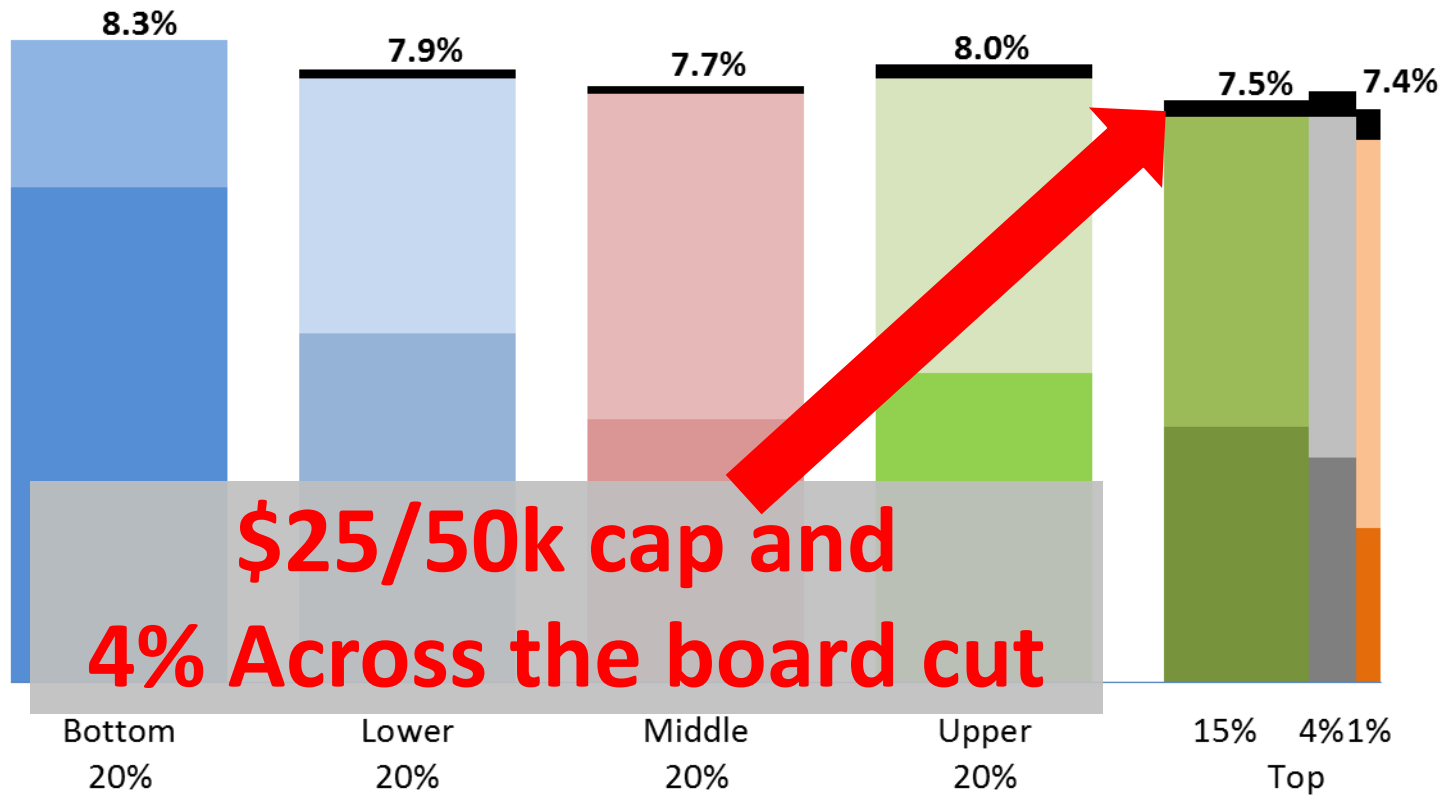
by Quintile of Federal Adjusted Gross Income (AGI)



Source: Institute on Taxation & Economic Policy

Who Pays How Much State and Local Tax

Adjusted for \$25/50k Deduction Caps and 4% Across the Board Cut
by Quintile of Federal Adjusted Gross Income (AGI)

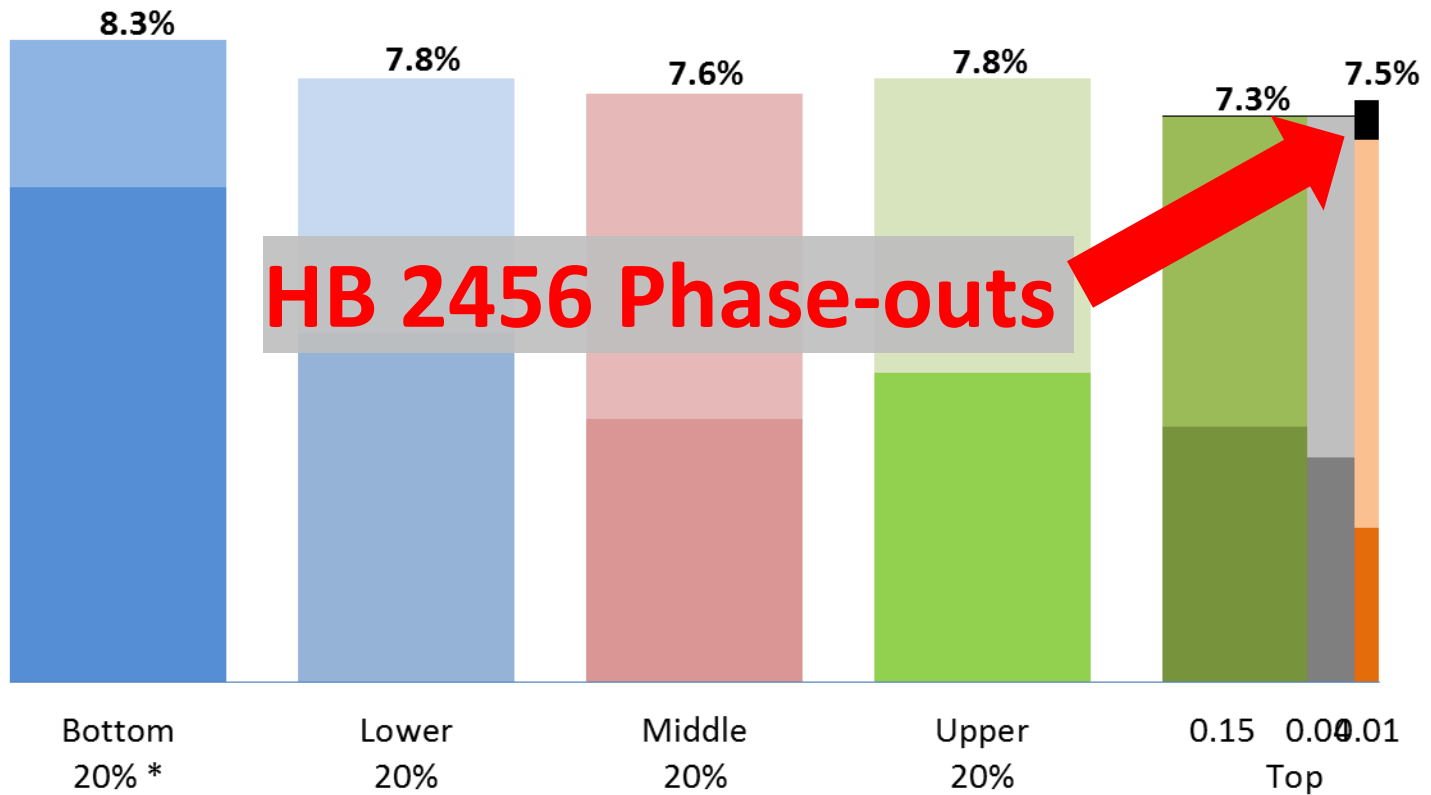


Source: Institute on Taxation & Economic Policy

Who Pays How Much State and Local Tax

Adjusted for HB 2456 Phase-outs, 2010 Income Levels

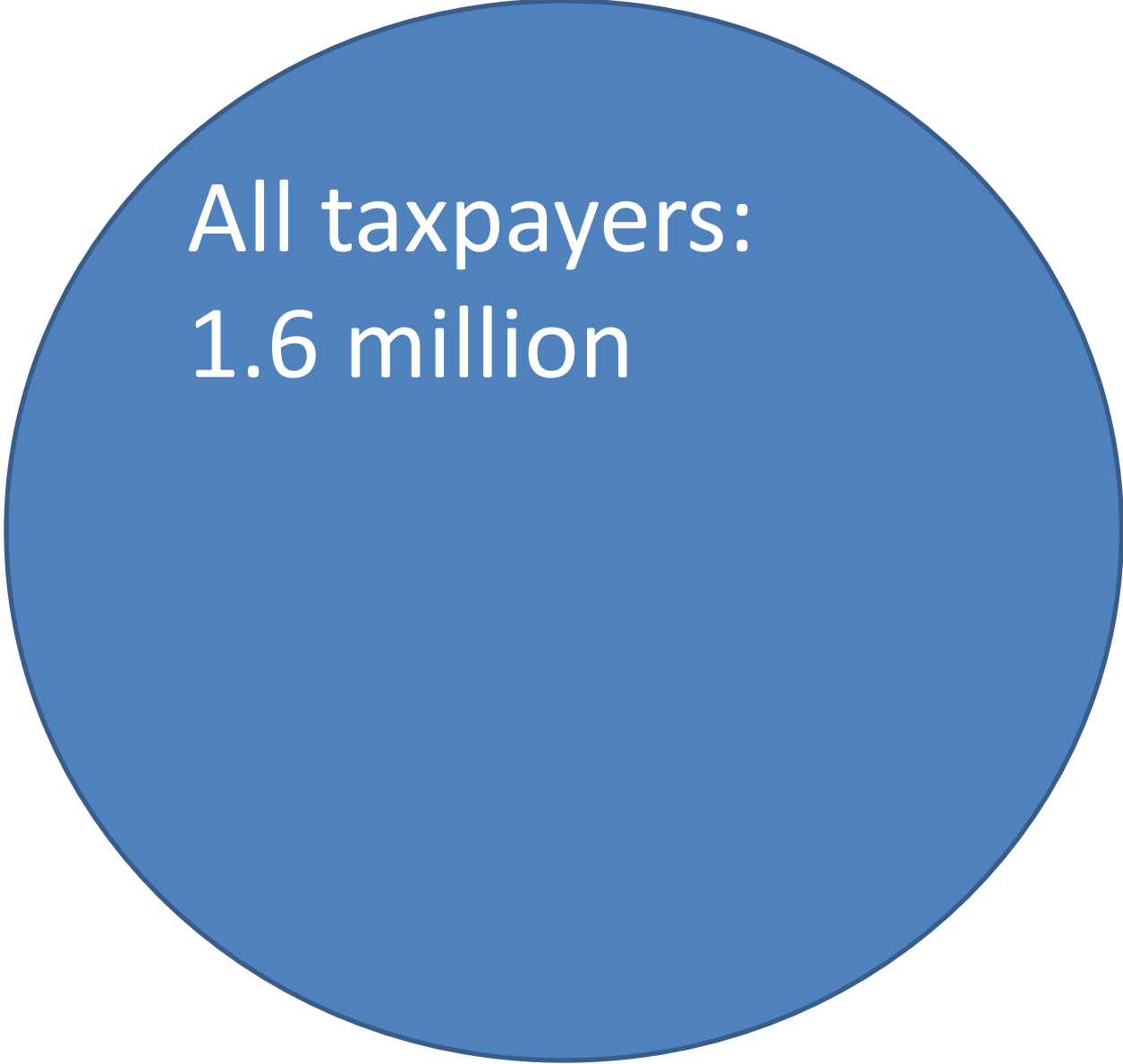
by Quintile of Federal Adjusted Gross Income (AGI)



Source: Institute on Taxation & Economic Policy

What about charitable
contributions and mortgage
interest?

A “scientific” analysis



All taxpayers:
1.6 million



All taxpayers:
1.6 million

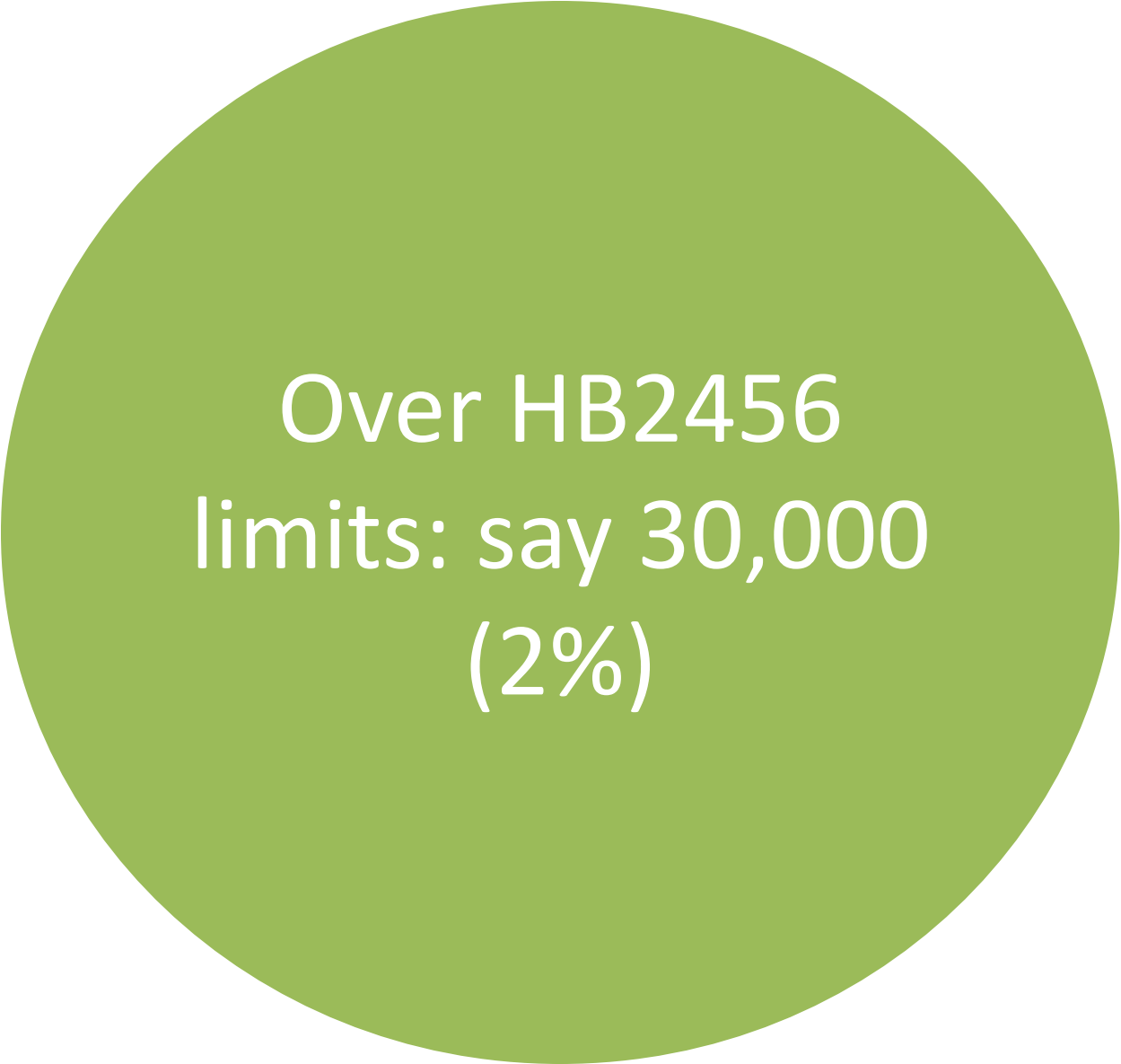
Itemizers:
700,000

All taxpayers:
1.6 million

Itemizers:
700,000

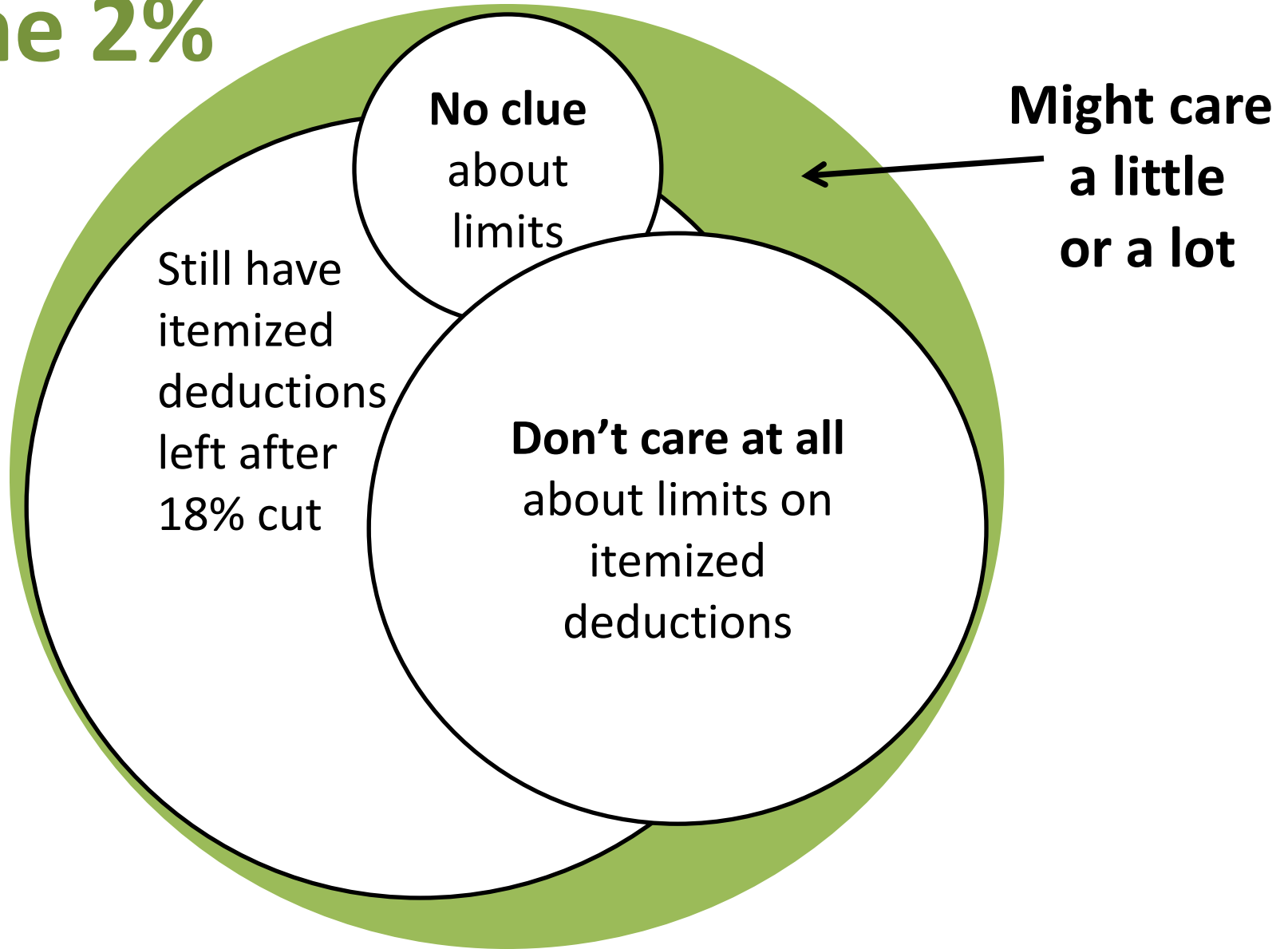
Over
\$125/
250k

20-30,000
(1.2-2.0%)



Over HB2456
limits: say 30,000
(2%)

The 2%



Bottom Line:

- Number of taxpayers who are **affected by, know about, and care about** the new phase-out is vanishingly small.
- **Even those who care** are unlikely to change their behavior regarding contributions or home-buying significantly.
- Charities and their clients will be **much better off** with HB 2456 than without it.
- So will homebuilders and realtors, since further budget cuts would weaken the economy.
- **HB2456 is an effective response to the concerns expressed by charities and others regarding caps.**