



## **4027 Plan to Sunset and Review Additional Tax Expenditures**

### **Testimony for House Revenue – Jody Wier**

Tax Fairness Oregon supports HB 4027's plan to review additional tax expenditures.

We commend HB 4027's intent to require the LRO to select tax expenditures from the Governor's tax expenditure report and other sources and recommend tax expenditures for systematic review and sunset.

- Many of Oregon's property tax expenditures do not sunset and should be subject to systematic review and sunset.
- Some tax expenditures are tied to the federal income tax law e.g. the mortgage interest deduction, which costs Oregon as much as a \$1 billion is currently is not subject to review or consideration for sunset.
- In the past few years, sunsets have been removed from a number of tax programs, but we believe review should continue.

Based on the LRO's recommendations for the sunsets put on Oregon's income tax expenditures with HB 2067, Tax Fairness Oregon is confident it will come up with a reasoned and well organized list of additional tax expenditures for review and sunset.

Tax Fairness Oregon is, however, concerned that submitting the report by December 15, 2016 would not provide adequate time to enact any of the LRO's recommendations during the 2017 legislative session.

**We recommend that the deadline for submitting the report to the legislature be earlier than December 2016, to allow appropriate time for responding and drafting legislation.**

Thank you for considering our comments in support of HB 4027.