



HB 4063 Kicker Distribution for tax filers and dependents rather than based on amount paid

Testimony for House Revenue - Josie Koehne

Tax Fairness Oregon supports this effort that will democratize the distribution of the unexpected revenue known as “the kicker.”

We believe that every taxpayer paid their fair share of taxes, and the amounts received above the economists’ expectation belong to the state as a whole, not to those taxpayers.

In the best of all worlds, we wouldn’t see this revenue as “kicker money” at all, but rather as money to spend or to save in a rainy day fund. Instead the Legislature is left with the decision about how to distribute this revenue to taxpayers in the ways they believe best benefit the whole state.

A distribution formula based on contributions paid is best for the wealthy, but provides the least benefit to the state, as the funds tend to end up in equity investments or travel abroad rather than in local spending. Moderate and lower income citizens tend to spend bonus money on new tires, local entertainment, dental visits and the like, which better serves both the people and the economy of the state.

TFO believes that distribution based on the population that includes the taxpayer and their dependents would be best for our economy and our citizens.

As we were preparing our testimony it occurred to us that if the state-sponsored retirement savings accounts were ready to roll, placing the funds equally in those accounts would possibly be an equally interesting idea. But it’s too soon for that.

Thank you for your consideration.