



**LEAGUE OF WOMEN VOTERS®
OF OREGON**

The League of Women Voters of Oregon is a 97-year-old grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

April 5, 2017

To: [Senate Committee on Finance and Revenue](#)
[Senator Mark Hass](#), Chair

Re: [SB 1035](#)– Tax subtraction for animal adoption – **Comments**

The League of Women Voters supports a tax system that is equitable, adequate, stable, easy to administer and as simple as possible. We do not have a direct supporting or opposing position on animal shelters or adoption. Our “Issues for Action” document includes no reference to “tax subtraction”. We do have several relevant tax deduction references. Given the concern this session with our very large budget shortfall, we want to review them.

2001 Currently, the state “gives away” about \$27 billion each biennium in so called “tax expenditures” which include deferrals, deductions, exemptions and credits. Though all tax credits set to expire in 2012 were reviewed by the appropriate policy committee, in the end only \$10 million of lost revenue was captured. All tax credits will now be reviewed as they reach the sunset year.

2003 A coalition effort to reduce these exemptions, deductions, exclusions, and credits failed to off-set the predicted state shortfall in revenue for 2003-05.

2007 For three sessions, we have been part of the Oregon Revenue Coalition attempting to persuade the Legislature to repeal, reduce, or revise the more than 350 tax expenditures that cause the state to not receive \$27 billion in revenue in a biennium. The 2007 session spent months in discussions about tax credits and deductions, finally passing a complex and comprehensive bill dealing with credits, keeping some credits and providing revenues to cover those that were kept.

2014 The most noteworthy bill was SB 1534C, with needed 2013 Special Session “Grand Bargain” corrections, including Oregon’s senior medical deduction, small domestic international sales corporations, exemptions for disabled tax payers and disabled children, and cigarette tax adjustments.

The Oregon 2017-2019 Tax Expenditure Report, page 5, Summary of Oregon Tax Programs with tax Expenditures (dollars in millions), lists all taxes with tax expenditures for the 2017-2019 biennium, at \$24,202.7 billion. Please note testimony submitted from the Revenue Coalition for this hearing. We strongly urge thorough consideration of programs being cut this session before adding new programs, although many in each category have merits we would otherwise support. We urge raising of adequate revenue to support necessary programs, many of which provide worthwhile long-term net savings.

Thank you for the opportunity to discuss this legislation, with comments.

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