

House Committee on Revenue

Chair Barnhart and members of the committee

I STRONGLY OPPOSE HB 2061

This bill changes personal income tax base from federal taxable income to federal adjusted gross income by eliminating allowance of itemized deductions, taking 33% of IRS standard deduction, and decreasing tax rates.

If ever I thought the legislature was scamming Oregonians, this bill is it.

It broadens the base of personal income taxes and reduces the tax rate, but this can be a significant increase in taxes for an individual with a medium income that has high medical bills, property taxes, a mortgage interest and/or gives generously even with the tax reduction.

I applied this to a modest income of \$70,000. The new tax rate would save \$1,400 and adds 33% of standard deduction - about \$2,575, creating a negative \$1,175. But, this ignores itemized deductions, which would have added a greater deduction to the taxable income. For a \$70,000 income the national average itemized deduction is \$19,588, I personally had \$16,800 itemized deductions. The national average medical expense deduction is \$9,702 for this income level, and I only had about \$1,500 after the excluded amount. Even at the highest tax rate, these deductions would reduce taxes significantly more than this bill allows – matter of fact, it would cost me several thousands of dollars in increased taxes and I'm in the hard working middle class. Now that's a major rip-off of Oregonians.

Fiscal negative impact was stated as \$800 million per biennium. I question how this impact was derived. It may have assumed everyone takes the standard deduction giving a false picture. Otherwise there is no way this tax structure can create a negative return to the state.

It would be a tax shock to middle class Oregonians. VOTE NO ON THIS SCAM OF OREGONIANS.

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