



HB 2061 Ending Itemized and Standard Deduction – the Great Equalizer

House Revenue Committee – Jody Wisner – 6.21.2017

While ending both the Itemized and Standard Deduction would generate significant revenue, it would also bring greater equality to our Personal Income Tax System. And we certainly not be alone as a state without giving these tax breaks.

Oregon's Standard Deduction amount is inflation adjusted annually, with the current deductible amounts xxxxx single/xxxxxx joint. Earlier this year we were surprised when we actually looked at the statistics. Fifty two percent of Oregonians use the standard deduction, and the average deduction is xxxxx. For the forty eight percent itemizing, the average deduction is \$16,205. Eliminating both, or only the itemized would put all Oregonians on an even playing field. While many people are aware of the tax advantages, deductions are not an incentive. No one gets sick, buys a home, donates, or hires a tax advisor in order to get a deduction. For example, **Washington State, Canada and Australia all have higher home ownership rates than Oregon**, without a mortgage interest deduction. **Levels of charitable giving are uneven across the US, but looking at the attached map, you can see that the level is unrelated to the availability of a state tax deduction.**

While the non-profit and housing communities will push back, in fear, ask for the statistics that prove their points. It's unlikely that the investment community will come testify, though their lobbyists might ask for appointments in your offices, but it has always struck me as outrageous that my investment advisor costs are deductible, while hiring a gardening service or house cleaner is not. What public good comes from my decision to hire others to do the work of managing my investments or preparing my taxes?

Oregon would not be alone if we made this change. We would join the ____ states with no income taxes, and the ____ states with an income tax which do not allow **itemized deductions** should you vote to make this change.

We read the bills and follow the money