



SB 364 Refundable Income Tax Credit for Donating Shipping Container

Testimony for Senate Committee on Veterans and Emergency Preparedness – 2.21.2017

Chair Boquist and Members of the Committee on Veterans and Emergency Preparedness

Oregon is nationally known for crafting innovative recycling legislation—think about Tom McCall’s bottle bill! And our state is well-known for encouraging creative solutions to persistent problems. However, we are equally famous for what the Oregonian called “historical over-commitments” (1/29/2017)—our current best example is the approved Quality Education Model that is underfunded by \$2 billion!

SB 364 is another example of a good idea that depletes Oregon’s revenue stream. It adds another income tax credit that could amount to \$1500-\$5000 for donating shipping containers to public entities. We want to remind you that the owner of the shipping container can deduct the value of the shipping container on their income taxes as a charitable contribution. We wonder why there should be a tax credit when there is already a deduction from income available, whether the taxpayer is a corporate or personal income tax payer. Further, there is a poison pill in this bill; it asks that the tax credit be refundable. This expects that taxpayer has found a way to owe no income tax at all. It will help corporate taxpayers circumvent our corporate minimum tax. In any economic environment, we should avoid new refundable tax credits.

Our mounting tax credits are contributing to the \$1.8 B shortfall. If you choose to support this measure, Tax Fairness Oregon wants you to keep in mind that a credit for one shipping container could fund another day of schooling for 36-120 children in your school district. There is no doubt a need here, but this is not the solution, or the year. In this challenging budget cycle, every tax credit, tax incentive, or grant you approve reduces the life blood of Oregon.

Tax Fairness Oregon strongly believes that until Oregon has a fundamentally fair and adequate revenue stream that can support the basic needs of its citizens NO Legislator should be considering offering tax credits, tax incentives, grants, or tax breaks for new bright ideas.