



## Oregon School Employees Association

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February 6, 2018

Senate Committee on Finance and Revenue  
Senator Mark Hass, Chair  
900 Court St. NE  
Salem, OR 97301

Dear Chair Hass and members of the committee:

On behalf of the more than 21,000 education workers represented by the Oregon School Employees Association (OSEA), I'm pleased to offer our support for Senate Bill 1528 with amendments to disconnect from the federal pass-through entity (PTE) deduction and reform Oregon's special PTE tax rates.

OSEA represents workers in nearly all levels of public education, including Head Start programs, K-12 school districts, ESDs and community colleges. OSEA members perform many of the thankless tasks that keep Oregon public schools safe and functional for students, administrators and teachers throughout the school day.

The dedicated Oregon workers that OSEA represents do not benefit from special tax breaks for business owners. They have been told to "do more with less" while watching tax dollars disappear through special breaks like the pass-through entity tax rates.

We would urge the legislature to repeal the special rates entirely, as the benefits overwhelmingly go to high-income taxpayers and the state can ill afford the nearly \$100 million annual cost. However, reining in the cost of this tax break is a helpful step forward. Our members would much prefer for the legislature to redirect money currently lost to this tax break into Oregonians' priorities—good schools, quality health care, and skilled workers. Therefore, **we strongly urge passage of Senate Bill 1528 with amendments that reduce or eliminate the special tax treatment of PTE income.**

Thank you for your attention,

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