



**February 28, 2018**

To: Oregon House Committee on Revenue  
Chair, Representative Phil Barnhart  
Vice-Chair, Representative Barbara Smith Warner  
Vice-Chair, Representative Greg Smith

Fr: Matt Swanson, SEIU local 503

Re: Support for Senate Bill 1528 B

Chair Barnhart, Vice-Chairs Smith, Smith Warner and Members of the Committee:

SEIU Local 503 is an organization of more than 72,000 people who are standing together to improve the lives of working Oregonians. We provide valuable services to our communities, doing more than 500 different jobs in 85 state, local government and non-profit agencies and care facilities. We support disconnecting from the recently passed federal tax cuts in appropriate places to maintain services in our current budget.

### **Oregon Should Make Her Own Choices**

The recently passed changes in the federal tax code, if followed, could cost Oregon \$258 million in the current biennium and as much as \$455 million by the 2021-2023 biennium. In addition to the cost of remaining connected, the Legislative Revenue Office estimates that the benefits would disproportionately go to the top 5% of Oregon filers.<sup>1</sup> Oregon already has special tax rates for many of these individuals and more than two-thirds of the benefit flows to people who take home more than half a million dollars in profits each year.<sup>2</sup>

Under this new federal tax scheme, many of these wealthy individuals could receive another 20% deduction on their Oregon taxes, on top of the federal tax deduction and their reduced Oregon tax rates. Oregon should not follow suit and automatically extend an additional tax break.

### **Remaining Connected Could Put Services at Risk**

Oregonians are counting on that money to fund many important public services, including services for families, seniors, children, people with disabilities, and many more. If the Oregon legislature does not pass Senate Bill 1528, Oregon will have less money for the services we depend on. A reduction in

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<sup>1</sup> <https://olis.leg.state.or.us/liz/2018R1/Downloads/FloorLetter/2301>

<sup>2</sup> <https://olis.leg.state.or.us/liz/201711/Downloads/CommitteeMeetingDocument/139577>



revenue for the current budget could put services at risk in the future. Some examples from the recent budget are:

- Temporary Assistance for Needy Families: More than 1,800 low-income children are at risk of losing food and housing assistance that keeps them healthy and safe.
- Employment-related Day Care: 900 families are currently on a reservation list due to a lack of sufficient funding.
- Seniors and people with disabilities: More than 1,200 seniors and adults with physical disabilities have either lost care or faced a reduction in services.
- The \$258 million cost of connecting to this tax break over the remainder of this budget period would pay for almost 1,500 teachers for two years.

We ask you to support Senate Bill 1528 and retain the \$258 million that Oregonians are counting on for services in the current budget. Remaining connected would only not extend a tax cut that would disproportionately benefits the wealthiest among us.