



**LEAGUE OF WOMEN VOTERS®
OF OREGON**

The League of Women Voters of Oregon is a 98-year-old grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

May 21, 2018

To: Joint Interim Committee on Sole Proprietors
Senate President Peter Courtney, Co-Chair, and House Speaker Tina Kotek, Co-Chair

Re: HB 4301 - Special Session on Sole Proprietor Tax Break, **Testimony on [LC 1](#), Comment**

League of Women Voters positions on tax and revenue fiscal policy say that, in evaluating specific tax preferences, the following criteria should apply: whether the tax preference **promotes equity and progressivity**; and **whether the revenue loss from the tax preference is justifiable**. The League of Women Voters of Oregon believes any tax proposal should be evaluated with regard to its effect on the entire tax structure and the **tax system should recognize responsibility for government services by providing for broad sharing of the tax burden**.

LWVOR supported the legislature's passage of SB 1528 and the Governor's signing this bill into law. Additionally, LWVOR Action accepts the proposal to address a tax inequity for Oregon's sole proprietors since they were not covered by an earlier bill giving tax breaks to some other pass-through businesses. While we recognize the need for equal treatment of pass-throughs, we continue to have significant concerns about the fairness of ALL the pass-through legislation and would support a sunset as League has before on tax credits.

The State of Oregon has insufficient income to support its current responsibilities in education, human services, the environment, the criminal justice system, elections, and health care without significant tax reform resulting in stable increases in Oregon's revenue. We believe that a complete overhaul of our tax system is warranted. League will continue to advocate for more comprehensive tax reform in the 2019 session as we have since Measure 5 in 1990 changed property tax laws. The modest change in Oregon's tax law proposed in this special session should not prevent this broader discussion around equity, progressivity and adequacy of our tax system in 2019.

Thank you for the opportunity to discuss this legislation.

Norman Turrill
LWVOR President

Chris Vogel
Tax and Revenue Portfolio

Cc: Senator Jackie Winters, Co-Vice Chair
Representative Mike McLane, Co-Vice Chair
Senator Ginny Burdick
Representative Jennifer Williamson
Senator Brian Boquist
Representative Greg Smith
Senator Mark Hass
Representative Phil Barnhart
Governor Kate Brown