

# ECUMENICAL MINISTRIES *of* OREGON

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## **Statement on HB 4301, Reforming the Pass-Through Tax Break**

**May 21, 2018**

**Co-Chairs Courtney and Kotek, Co-Vice Chairs Winters and McLane, members of the Committee,**

I write on behalf of the 24 faith leaders that comprise Ecumenical Ministries of Oregon's board of directors.

**EMO calls on the Oregon Legislature to:**

- **Ensure any changes made this special session to the pass-through tax break are revenue neutral, and**
- **Sunset the pass-through tax break in 2019, allowing a robust discussion about its benefits and cost.**

EMO is a statewide association of over 150 Christian denominations, congregations, ecumenical organizations and interfaith partners working together to improve the lives of Oregonians through community ministry programs. These programs feed the hungry, house those in need, support those living with HIV and AIDS, protect survivors of domestic violence, resettle refugees and provide opportunity to thousands every year.

We seek state leaders to partner far more deeply in this effort. We seek a government that is more fully responsive to human needs and aspirations. We are called to act in solidarity with those on the margins, to establish social and economic systems that encourage, enable and empower all people to develop and use their capabilities to meet their needs and to contribute to the social welfare.

Sadly, Oregon's education system, anti-poverty and hunger programs, and many other government services are not meeting the needs of Oregonians, particularly those living on the margins.

We are concerned that the pass-through tax break – both under current law and under the proposal before the legislature this week to extend its provisions to thousands of new beneficiaries – undermines legislators' own efforts to stand with Oregonians in need. In the 2016 tax year, a full 99 percent of the tax benefits of the pass-through tax break went to Oregonians making over \$100,000 a year. At a total cost of \$200 million this biennium even before being extended to sole proprietors, the pass-through tax break results in the legislature foregoing critical investments in education, housing, human services and other programs.

These significant costs must not be compounded by HB 4301, and the efficacy of this tax break designed to create jobs should be evaluated as soon as possible.

Thank you for your consideration.

Sincerely,

Britt Conroy  
Public Policy Director  
Ecumenical Ministries of Oregon