



Subcommittee on Transportation and Economic Development 2020 Rebalance Plan for the 2019-21 Biennium

Testimony by Jody Wiser – 7-24-2020 – on behalf of Tax Fairness Oregon

The COVID pandemic has made it difficult in many segments of government to “get the jobs done”, throwing curve balls and adding expenses. Yet you have before you a budget rebalance with significant cuts, transfers of funds that would otherwise been used in other ways, and the use of our reserves.

But there is no reason for cuts to be so deep.

There are about 12 tax provisions in the CARES Act, most of which reduce our state’s tax revenue, because of the way we are connected to the federal tax code, they were added when Congress voted on March 27th, and the major hit from those tax changes will be on 2020 tax returns. We’re concerned about the first 4 listed in the [LRO document explaining them and their revenue impact](#). They total \$250 million dollars of new tax breaks snuck into the CARES Act, \$250 million that will stay in the pockets of the already rich, **unless you disconnect**.

Three of the four are related to business interest and business losses, the fourth expands the charitable deduction. They are well described by LRO.

Legislators need to act now, before 2020 taxes are filed, to disconnect from these provisions. The legislature has no habit of taking tax breaks away from the wealthy retroactively, so this is work for 2020.

This issue is not just a revenue issue. It is also a wealthy divide issue, and an issue for the People of Color Caucus.

The benefits of these four measures will overwhelmingly go to the very wealthy, and they are overwhelmingly white.

You have a choice. Damage our state’s infrastructure of services, her citizens and her employees by making these budget cuts in order to pay for checks to the wealthiest, or just disconnect. Will you insist that these new tax breaks, created by Congress in March, be addressed this year?