



August 5, 2020

To: House Revenue Committee

From: The Human Services Coalition of Oregon Board

Re: Support to Disconnect from CARES Act Tax Provisions

Chair Nathanson and Members of the Committee:

Thank you for your leadership and commitment to ensuring that Oregon is a place for all people to live, work and raise their families as part of our strong community. For 20 years, the Human Services Coalition of Oregon (HSCO) has been promoting the well-being of all Oregonians through sound public policy. With our partners, we are a powerful coalition that works to protect the quality of life of all Oregonians.

HSCO recognizes that with a projected revenue shortfall, the 2019-21 budget will be difficult to balance. In keeping with our mission and values, the Legislature must fully engage in retaining revenue otherwise lost due to the Federal CARES Act tax breaks designed for wealthy individuals and corporations. The “human services” in our HSCO name extends beyond human services to health and affordable housing. Funding for these services is always tight, and we are committed to retaining adequate revenue to support the services Oregonians deserve.

HSCO was founded on two important bedrock principles:

- We do not pit programs, services, and populations against each other. While everyone is free to lobby their legislative agenda, HSCO members do not promote their issues at the expense of others;
- We must increase revenue to meet the critical needs of low income and vulnerable Oregonians.

We are in a situation few Oregonians have experienced before. Due to the pandemic, Congress passed legislation to help individuals and businesses. But at the same time, provisions in the Federal CARES Act rewarded business investors and the wealthy by changing a number of tax laws. Since Oregon is connected to the Federal tax code, legislators must vote to disconnect from at least four provisions of the CARES Act or forgo up to \$250 million in revenue in the current budget cycle and \$86 million in the next two biennia.

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The Federal Joint Committee on Taxation estimated that on just one provision about 82% of the benefit of these changes would accrue to those with over \$1 million in income, 90% of the benefit to those with incomes over \$500,000 and 95% of benefits going to those with adjusted gross incomes over \$200,000.

As decisions are made for Oregonians, some of whom were struggling before this pandemic, ***we implore the Oregon Legislature to eliminate these tax breaks for the wealthiest Oregonians.*** Oregonians across the state, especially those who have faced additional challenges because they are BICOP and/or have disabilities or are elderly are deserving of the stability the state can provide.