

**SB 214 STAFF MEASURE SUMMARY**

**Senate Committee On Finance and Revenue**

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**Prepared By:** Kyle Easton, Economist

**Meeting Dates:** 2/6

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**WHAT THE MEASURE DOES:**

For purposes of personal income taxation, eliminates the allowance of standard or itemize deductions. Eliminates additional deduction for blind or elderly. Modifies Oregon personal income tax filing thresholds. Applies to tax years beginning on or after January 1, 2019.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Oregon personal income tax filers can reduce their income subject to taxation by choosing to utilize the standard deduction or by applying the sum total of their allowable itemize deductions. With the exception of the deduction for Oregon income tax, Oregon itemize deductions align with itemize deductions available in federal statute. Oregon's standard deduction differs from the federal standard deduction amount and was equal to \$2,215 (single filer) and \$4,435 (joint filer) for tax year 2018. Oregon's standard deduction amounts are indexed to inflation.

Oregon has had a continuing connection ("rolling reconnect") to the definition of federal taxable income since tax year 2011. Other ties to federal tax law must be updated on a regular basis, with December 31st being the usual connection date. Over the past forty years, the state has rotated between a policy of automatic connection to federal tax base changes and connection to the federal code at a particular point in time.