



February 3rd, 2020

Chair Nathanson, Vice-Chair Reschke, Vice-Chair Marsh, and Members of the Committee,

I testify today in my role as Co-Chair of the Human Services Coalition of Oregon (HSCO) in support of House Bill 4010-1 which would disconnect Oregon from the flawed Opportunity Zone tax breaks.

HSCO's more than 120 individuals and organizations have tirelessly advocated for and served Oregon's most vulnerable residents for more than three decades. Our members focus on policy development in the areas of health care, human services, housing, education, and other services to Oregonians who are poor, disabled, or otherwise in need of support. The Human Services Coalition of Oregon supports actions that make the appropriation system fair, equitable, and adequate. To further this mission, we adopted specific tax and revenue principles around fairness, adequacy, stability, and transparency. We adopted these principles in the 1990s and have used them as the foundation upon which we base our position on any revenue proposal.

Opportunity Zones fail many of these key principles. Capital gains tax breaks, such as these subsidies for investments in Opportunity Zones, largely benefit the richest Oregonians. In the 2017 tax year, the top 1% earned nearly six in ten of all the capital gains income in Oregon – while the bottom 80% earned less than one in ten of those dollars. Further, most investors in Opportunity Zones will need to be “accredited investors” which means they need to have significant wealth or income to even be able to participate.

The impact to the state budget, and therefore the services Oregon's neediest residents depend on, will be substantial if we remain connected to these tax breaks. Undermining state revenue to subsidize investments for high-income Oregonians is a trade-off that HSCO members, who represent Oregon's most vulnerable residents, cannot accept.

Please support HB 4010-1. Thank you very much for your time, and for your service to our state.

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