

To: Oregon House committee on Housing
Oregon House of Representatives

From: Charles DeSeranno
VP, Salem Rental Housing Association

Re: Opposition to HB 2578

Chair. Fahey, Vice Chair Campos and Morgan, and Members of the Committee,

My name is Charles DeSeranno and I am the current Vice President of the Salem Rental housing Association and a small housing provider.

I am writing you to voice my opposition to HB 2578 and to state the reasons for my opposition for the record.

As you may know the majority of housing providers in Oregon are small 'Mom and Pop' Providers. They are not the people they are being made out to be by those who have given testimony thus far in support of HB 2578

In a majority of the cases they have been using their rental property to save for retirement for many years and or are currently using the cash flow in their current retirements.

This Bill is unfair and singles out these housing providers by placing a higher income tax obligation on them. They use the interest deduction to offset their property income as it is an expense that lowers their total income from the property. In my case I would be paying an additional 1200.00 in income tax. You might say this is an insignificant number to take into consideration for this bill, that is unless you are retired and living on the overall cash flow as part of that retirement.

You must also take into consideration the cost to the housing provider when it comes to the current pandemic, other tax and services increases, and finally proposed legislation presented in this session. All of which affect the income of said housing provider.

What this bill is saying in part is that these housing providers have wasted their time and resources for years in order to provide adequate retirements for themselves and their families.

I do not support this bill as stated above because it is a tax increase to a select group of tax payers. I am unclear as to the need for a tax increase at this time. The federal government has just passed a tremendous relief bill that provides enough money to make the state whole and to be at a point where there is talk of a surplus for the "kicker"

law to take effect. Even our Rep. DeFazio in congress has stated our state should be fine with the passage of the 1.9 trillion relief bill.

So I say where is the requirement for adding revenue to the state by way of a select group of its citizens through added taxes.

I came from a working lower middle class family and worked for 28 years until retirement. I understand the issues surrounding this bill and its creation to help people with their housing requirements.

What I do not believe in is the elimination or severely damaging another group of people to achieve those requirements. Nor do I believe in "profiling" those housing providers as something that the majority are not.

Thank you for your time and consideration of my testimony.

Charles DeSeranno