

I was born in Portland and have lived and worked in Oregon my entire life.

When I first learned that the State of Oregon included the federal CARES act stimulus as taxable income, (yes, it is. For taxpayers with regular jobs, there are two deductions on the OR-40: the amount of money we paid in federal taxes and the standard or itemized deductions. Thus, when you reduce a deduction, you are adding to taxable income) I was disappointed, but not surprised.

I believe that the decision to do so, while lawful, is actually immoral and should be reversed because:

First, it was taxed in an underhanded and sneaky way. Nowhere on the "What's New" section of the tax instructions is there any mention of the stimulus, even though it affected every working person, whether directly or through Payroll Protection. An ordinary person filling out the forms without using Turbo Tax or its ilk would never expect to put any amount besides the actual federal tax liability from the 1040 in line 10 of the OR-40. When I first heard of the tax, I searched all of the local news sources and found no hits telling about the tax on the stimulus, only stories and articles explaining that it was not federally taxed.

The tax instructions were changed after many people already had submitted their taxes. OR-17 page 65 is NOT the same worksheet as in the OR-40 instruction book pg 13.

Next, it was made abundantly clear that the federal stimulus was a direct response to help people in the middle of a world-wide emergency, not to enrich the State of Oregon's bank account. The piece of paper included with the federal stimulus payment clearly contains the words "Your federal EIP2 is not considered taxable income and you should not report it on your 2020 federal income tax return." (I did not keep the first paper, so I don't know if it had the same words.) The state of Oregon already received some of my money that I had paid to the federal government from the same CARES act funds. Taxing the stimulus is saying "Our share is not ENOUGH, we will take even MORE."

Taxing the stimulus payments disproportionately penalizes families with dependent children. These same families have been forced by the state to leave paying jobs to stay home and online homeschool their children because the school buildings were shut down. Clearly, to help parents during this emergency, the federal plan provided them with larger stimulus payments than those without dependent children.

I expect that this tax is unenforceable/auditable because there is no 1099 or similar documentation of the stimulus to the recipients. There is no way for the Oregon Dept of Revenue to positively document whether or not anyone received a stimulus payment. I am aware of one friend who was still waiting to receive it as of March 20 2021.

It would have taken no money or time or effort to simply decide not to tax the stimulus payments made to individuals. Instead, the state has generated ill-will, even more distrust of the system, and hardship to its hardest-hit citizens. It will take time, money, and effort for the state to apologize and make this right.