

Fight for Our Future coalition supports HB 2839:  
Decouple Oregon from the Harmful CARES Act Tax Breaks for Millionaires

Fight for Our Future is a growing coalition that includes organizations serving children and families, Black, Indigenous, People of Color (BIPOC), older adults and seniors, labor unions and advocacy groups who have come together during a time of unprecedented demand for state services to call on our leaders to finally address hundreds of years of systemic racism in how public services are funded and provided.

Oregon's Legislature has a unique opportunity to rebalance the budget by not simply cutting services Oregonians depend on, but also retaining revenue that would otherwise go out in new tax breaks largely for millionaires. However, the opportunity to act is narrow.

When Congress passed the Coronavirus Aid, Relief and Economic Security (CARES) Act in March 2020, hundreds of millions of dollars worth of new tax breaks were also created in the Oregon tax code because of our connection to federal law. Based on analysis from the Legislative Revenue Office, these unnecessary tax breaks (business loss limit, net operating loss expansion, and expanded business interest expensing) will end up **costing Oregon about \$100 million in the current budget period.**

**We urge lawmakers to consider the racial equity implications of this tax policy.** Due to racist and discriminatory policy choices past and present, white Oregonians are more likely to be high-income than Black, Indigenous, Oregonians of color, and white Oregonians are also more likely to own a business. And while the pandemic has harmed so many, BIPOC Oregonians have suffered disproportionately. At a time when state revenue is in short supply, the Legislature can leave \$84 million in tax breaks that mostly help a small group of rich, disproportionately white Oregonians. Or, lawmakers can decouple our state from these harmful tax breaks and use those resources to help the Oregonians in the greatest need — a group overrepresented by our Black, Indigenous, communities of color.

**Tax provisions in the CARES Act also fail to focus the help on businesses in real need.** There is no requirement that a business have any lost revenue or have been harmed by restrictions responding to the pandemic. An investment firm that has seen its profits rise during the pandemic, as many have, can still reap benefits from these tax breaks.

Without action to decouple, the worst of these tax breaks will send the vast majority of the benefits to millionaires, exacerbating generations of classist and racist policies. **Now is the time to invest in BIPOC families to support their resilience during the ongoing health and economic crisis that COVID has brought upon us, not millionaires who are thriving off of tax cuts.**

Decouple Oregon from these flawed tax breaks and preserve the services Oregonians depend on.

Signed

