

“Tax Value Proposition and Portland’s Contribution to the State Economy”

House Committee on Economic Development and Small Business

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ECONorthwest

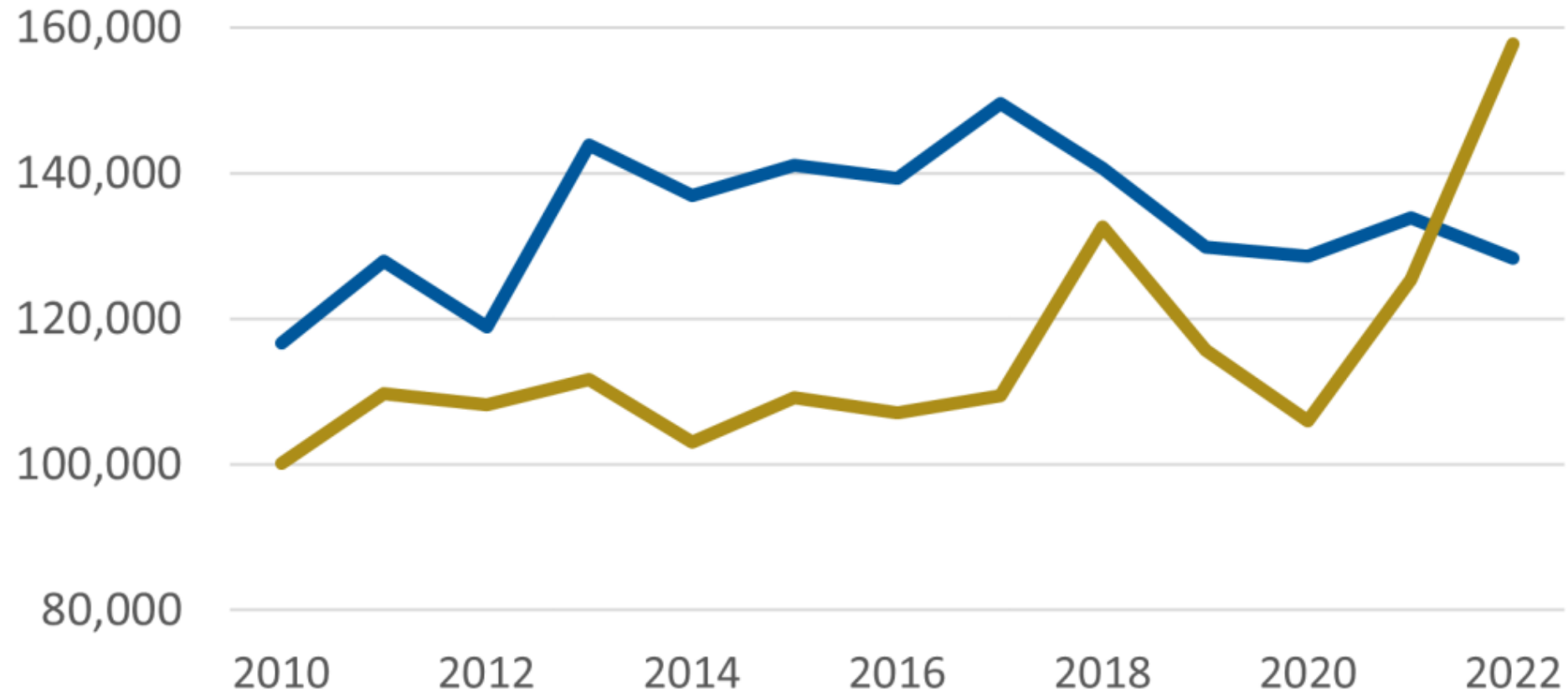
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Population and Migration Trends

Annual outflow of households increased statewide last two years

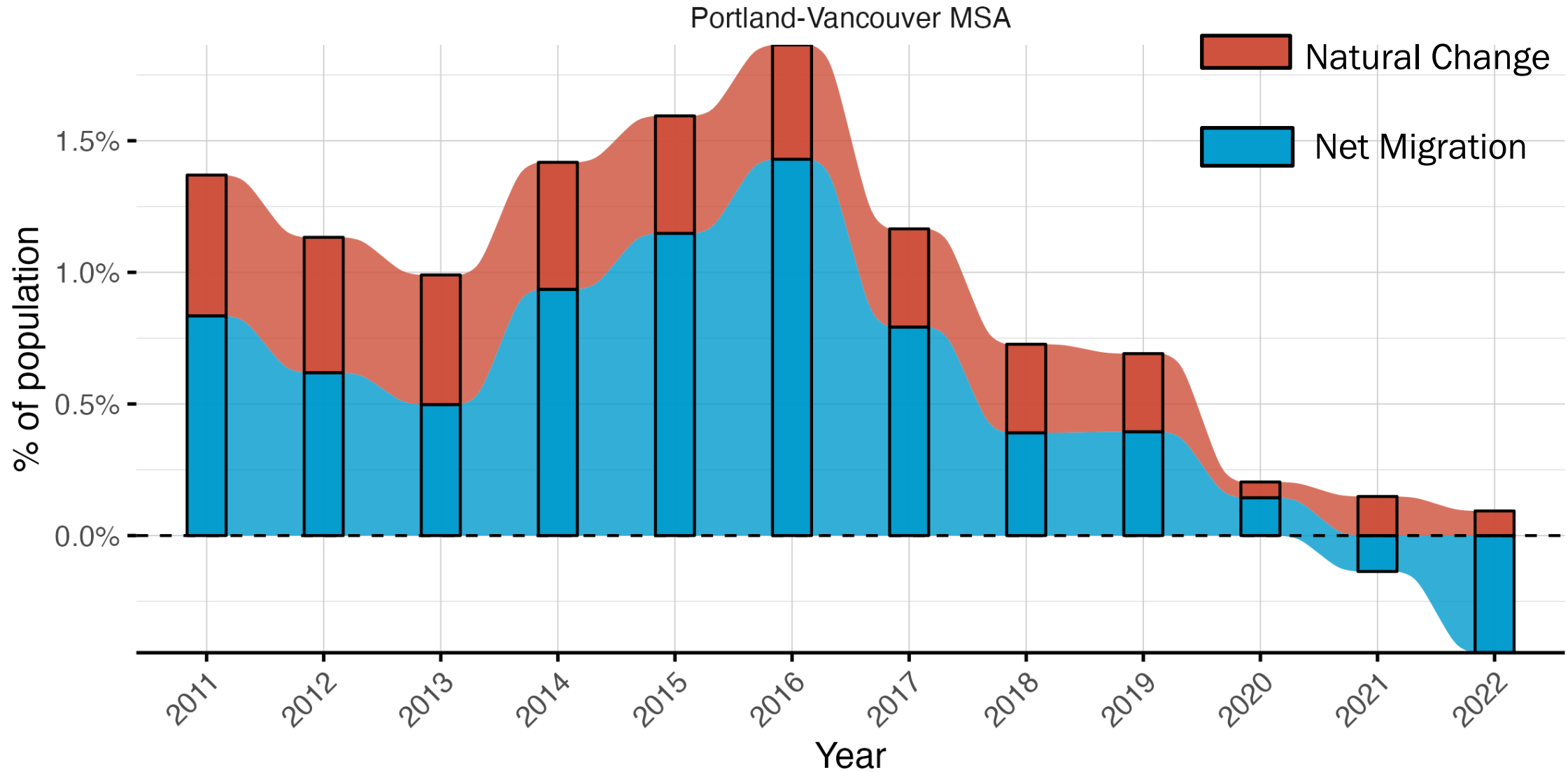
Oregon Domestic Migration

Number of people moving **Into Oregon** and **Out of Oregon**

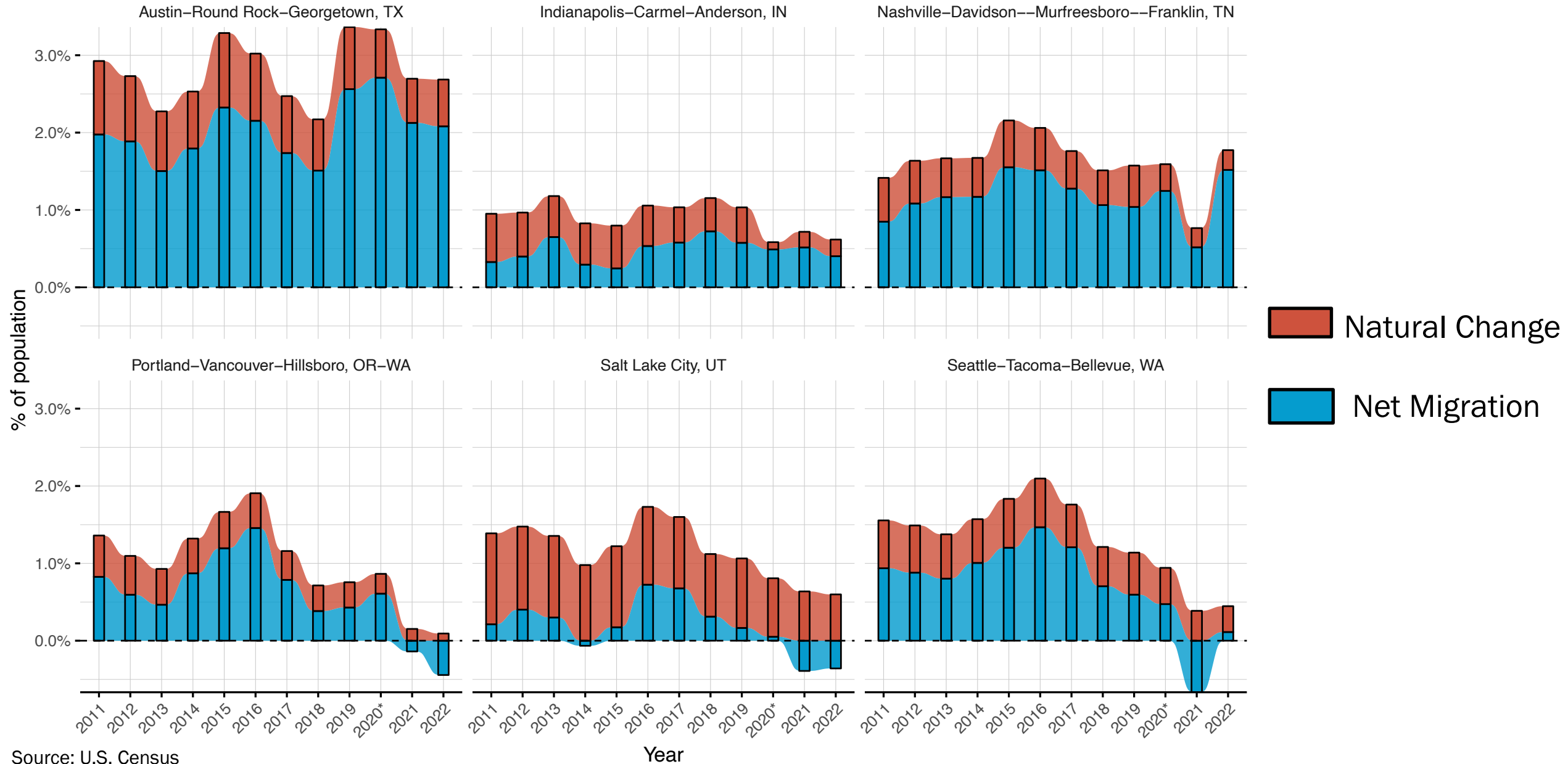


Data: ACS 1 year estimates | Source: Census, IPUMS-USA, Oregon Office of Economic Analysis

Portland Metro growth began slowing in 2017, lost population the last 2 years

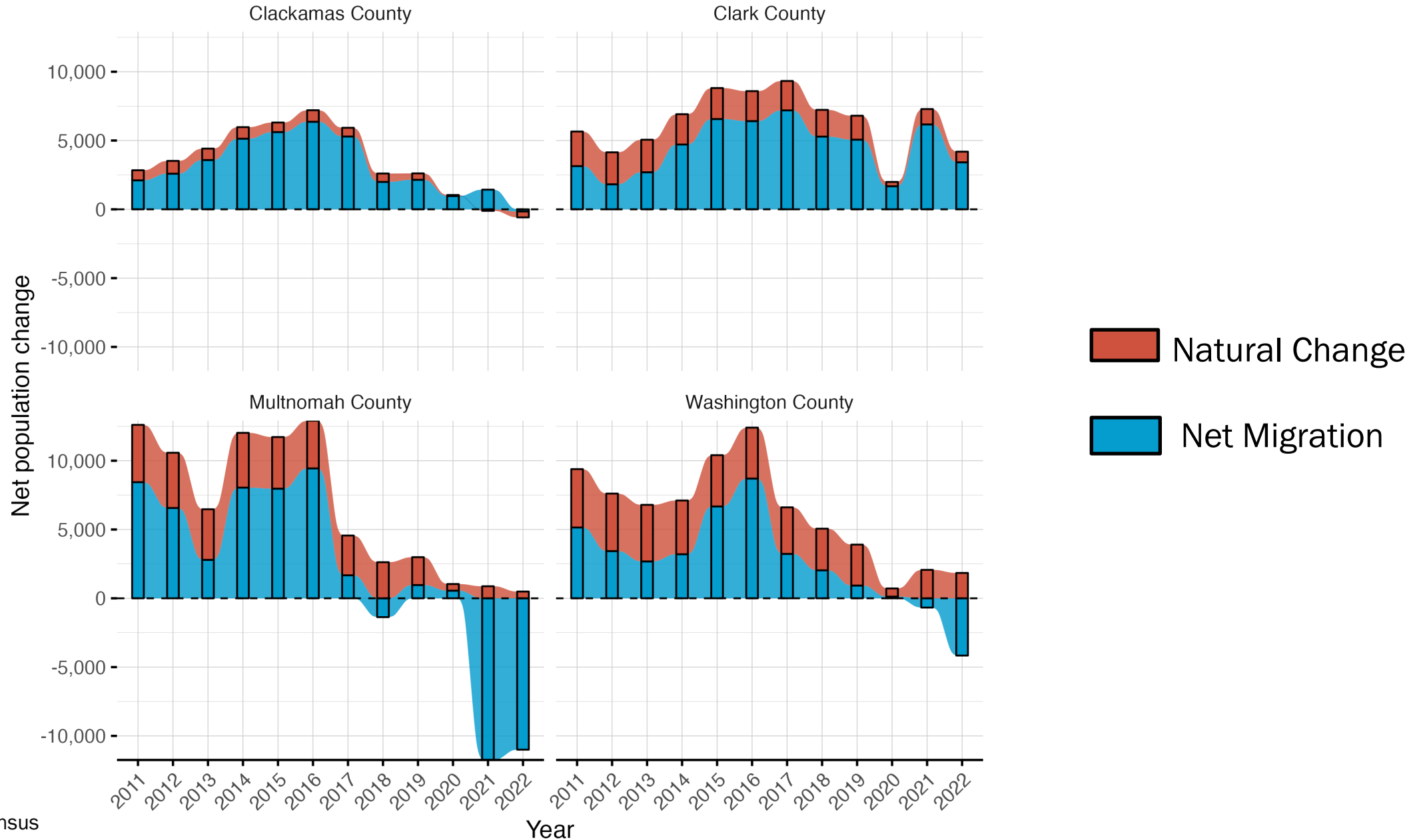


All of Portland peer regions had a population increase in 2022



Source: U.S. Census

Clark County continues to grow while Oregon counties are decreasing

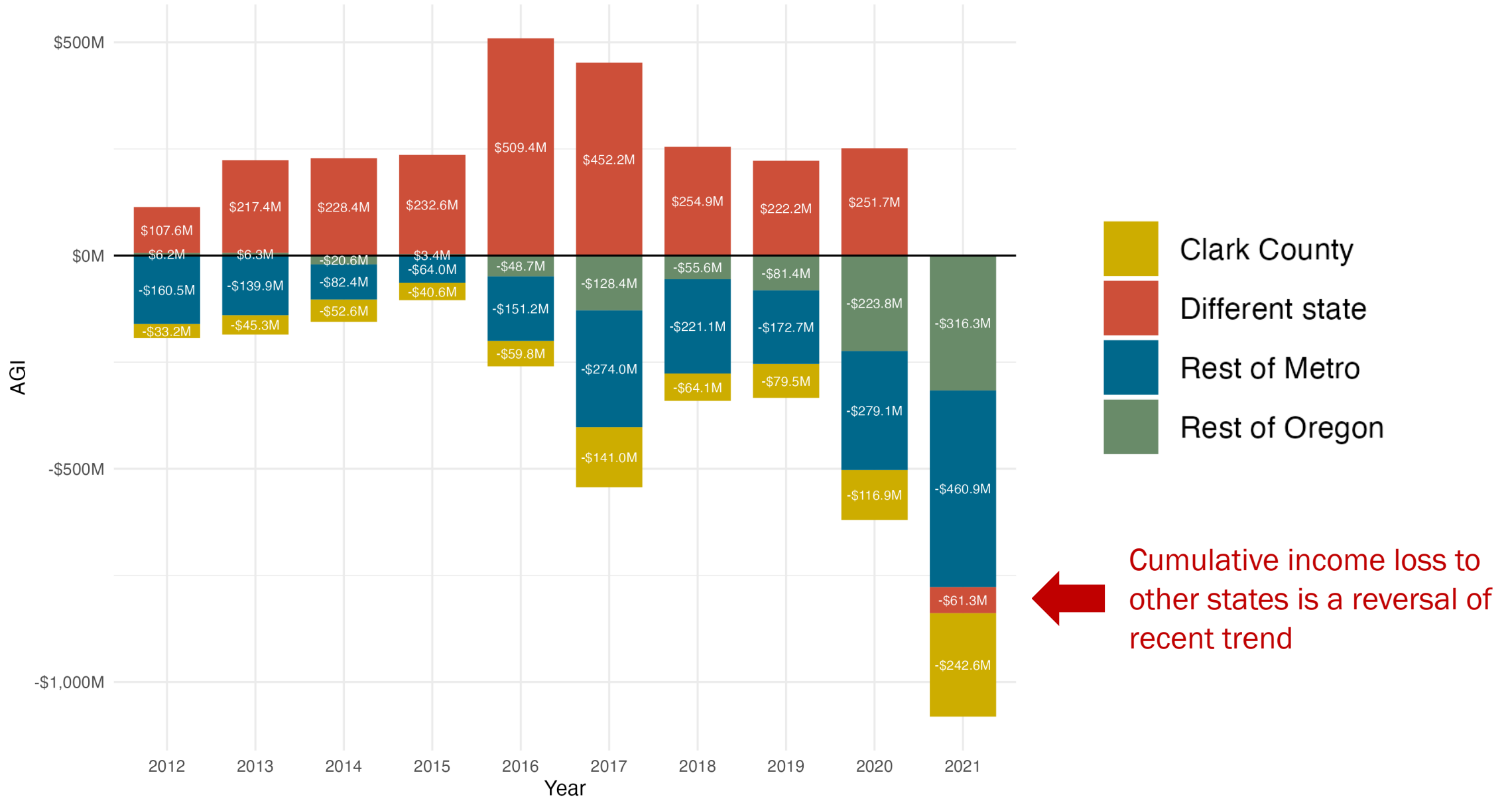


Top 150 cities with the largest percent population loss in 2022



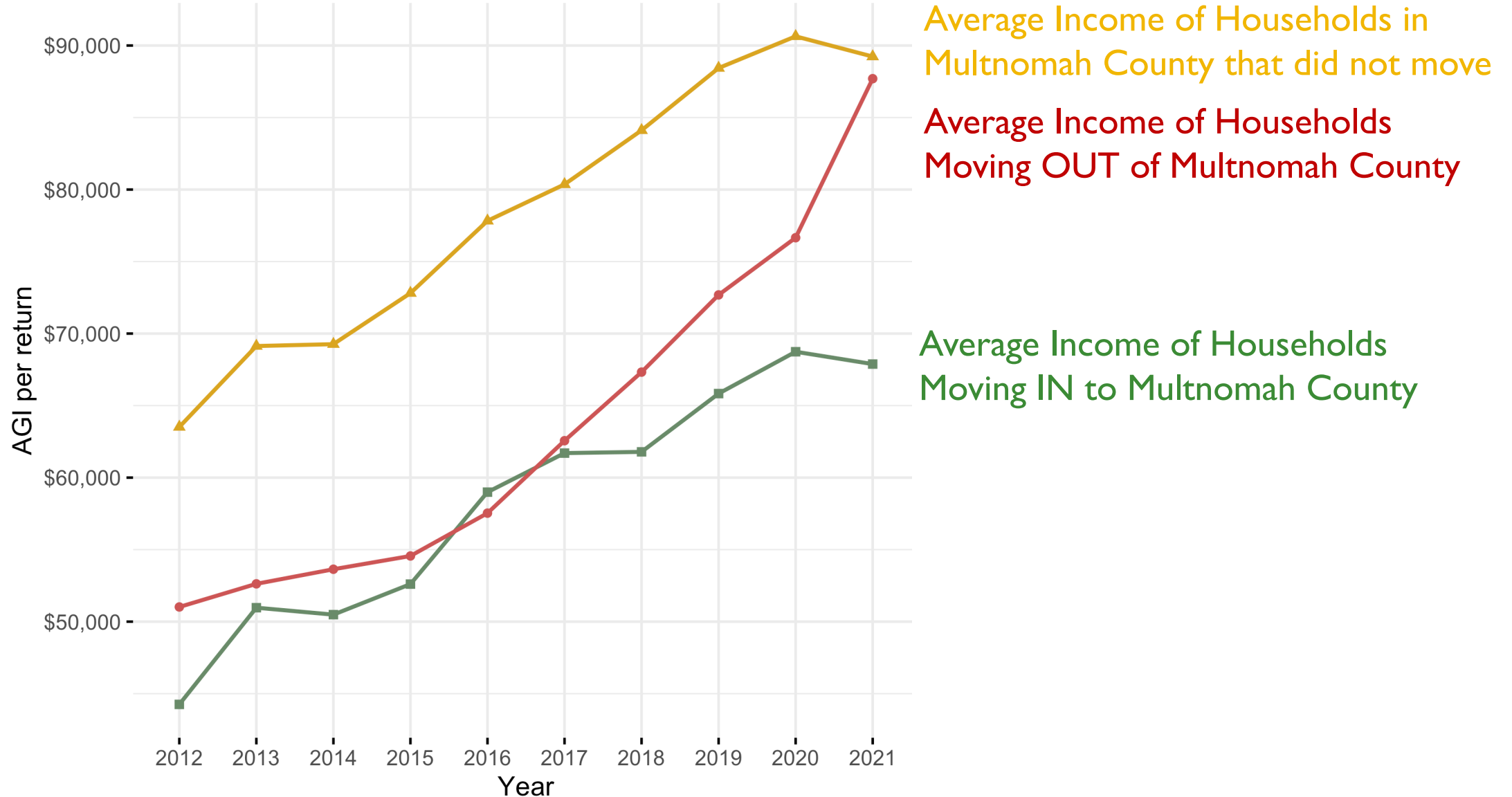
Multnomah County lost more than \$1 billion in income to other places in 2021

Net income change annually in Multnomah County by location of migration



Average income of out migrants has diverged from in migrants

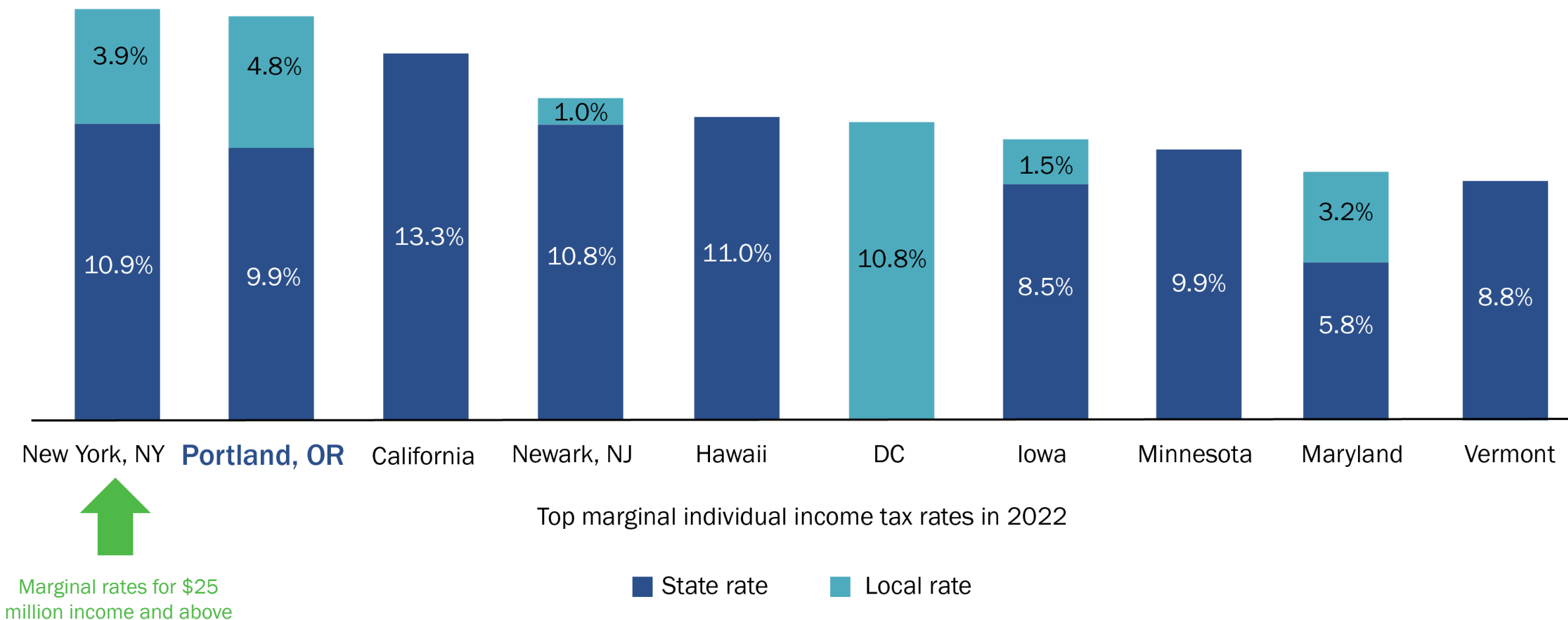
AGI per tax return in Multnomah County by Migration Status



Tax Competitiveness

Portland has the highest marginal state/local personal income tax rate in the nation

Top marginal individual income tax rates in 2022



Oregon's tax policy is among the most progressive states

Effective tax rate = Taxes paid as a percentage of annual income



(Progressive is when the effective rate for low-income households is the lowest, and for high income households is the highest)

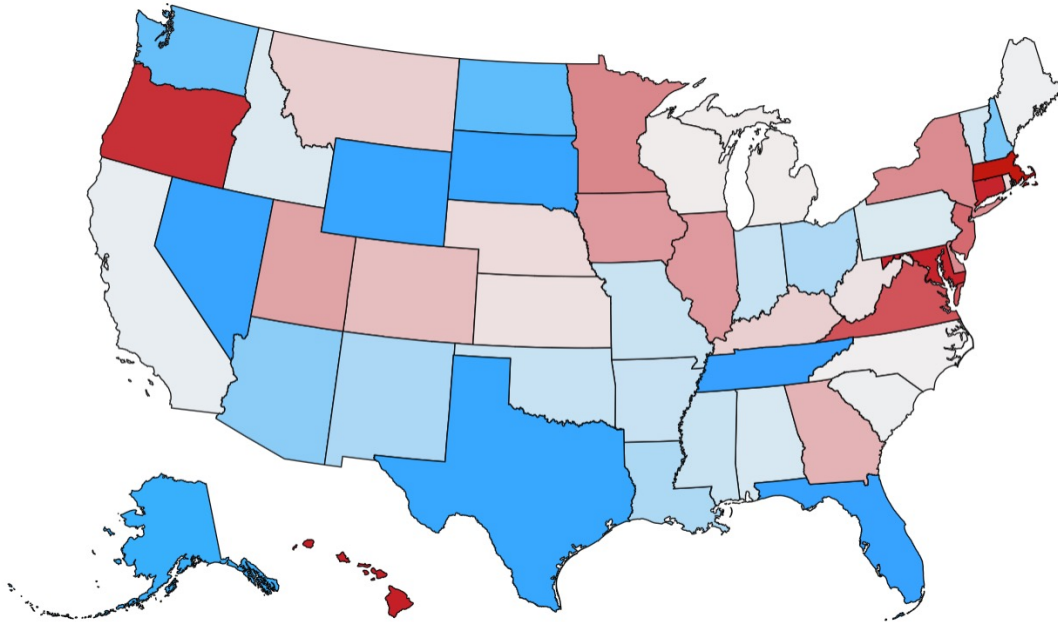
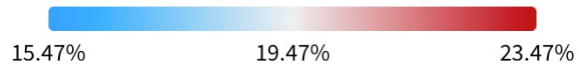
(Regressive is when the effective rate for low-income households is the highest, and for high income households is the lowest)

Oregon has the 5th highest effective tax rate for couples earning the median income

Total Effective Tax Rate by State (Federal + State) - Couples Filing Jointly

As a percentage of median annual income in each state

For the 2022 tax year (filing in 2023)

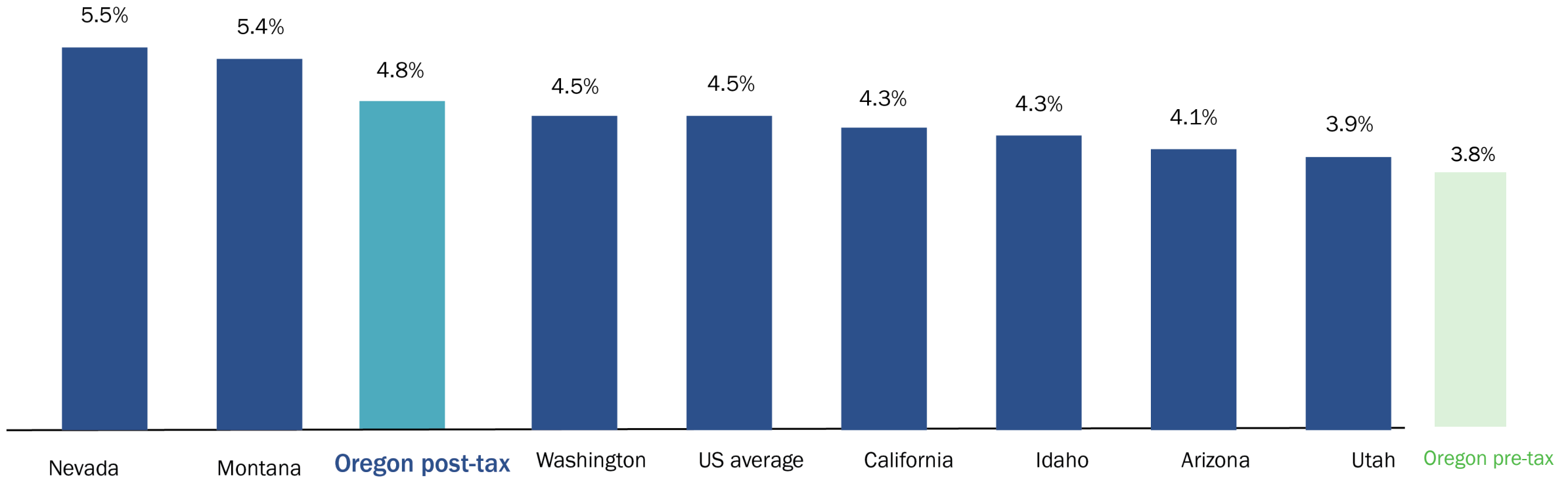


Total tax burden ranking	State	Total effective tax rate	Effective federal tax rate	Effective state tax rate
1	Massachusetts	23.47%	18.79%	4.68%
2	Hawaii	23.06%	16.61%	6.46%
3	Maryland	22.97%	18.65%	4.32%
4	Connecticut	22.96%	18.16%	4.80%
5	Oregon	22.77%	15.96%	6.80%
6	Virginia	22.15%	17.14%	5.01%
7	New Jersey	21.76%	18.42%	3.34%
8	Minnesota	21.28%	16.55%	4.72%
9	Delaware	21.21%	16.02%	5.19%
10	New York	21.18%	16.54%	4.64%

Sources: [U.S. Census Bureau](#), [TurboTax](#), Individual State Tax and Revenue Department Sites

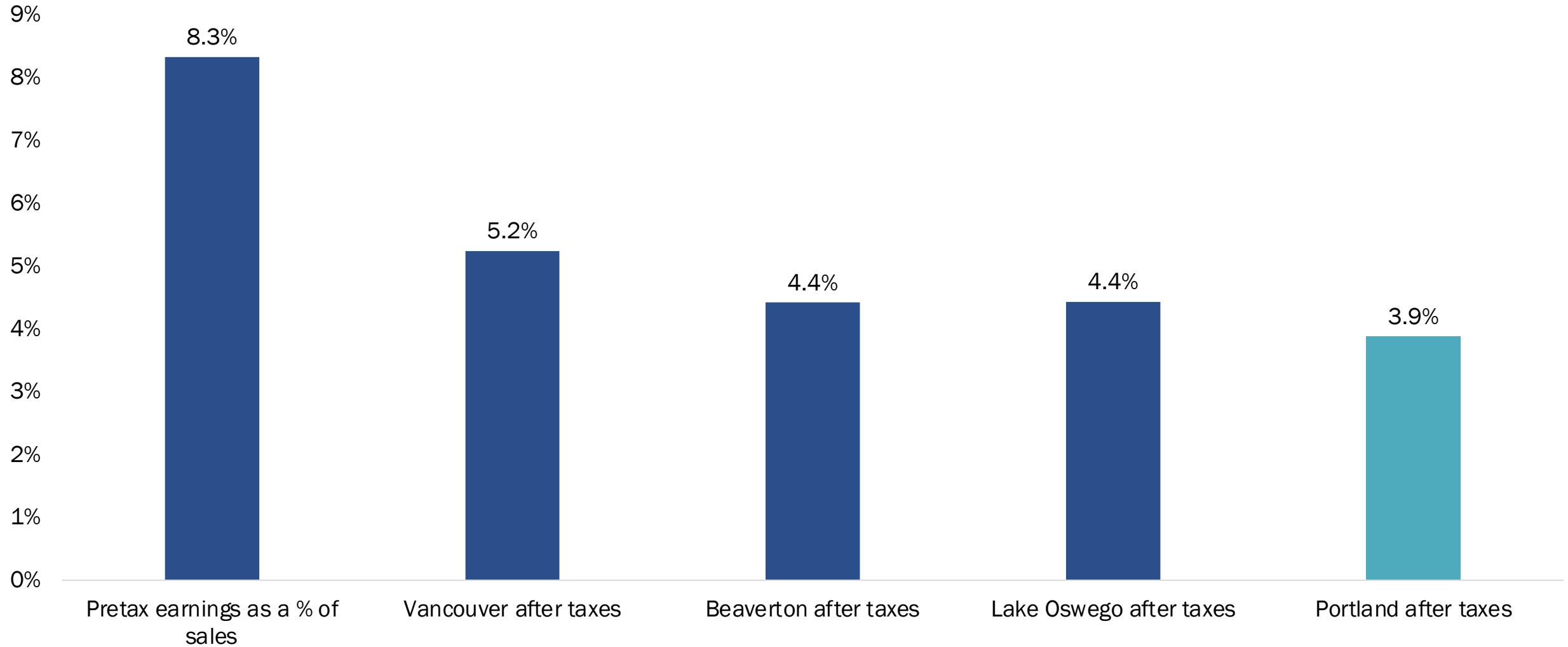
Oregon now above U.S. average with increase in business taxation

Total Effective Business Tax Rate (State + Local) FY 2019



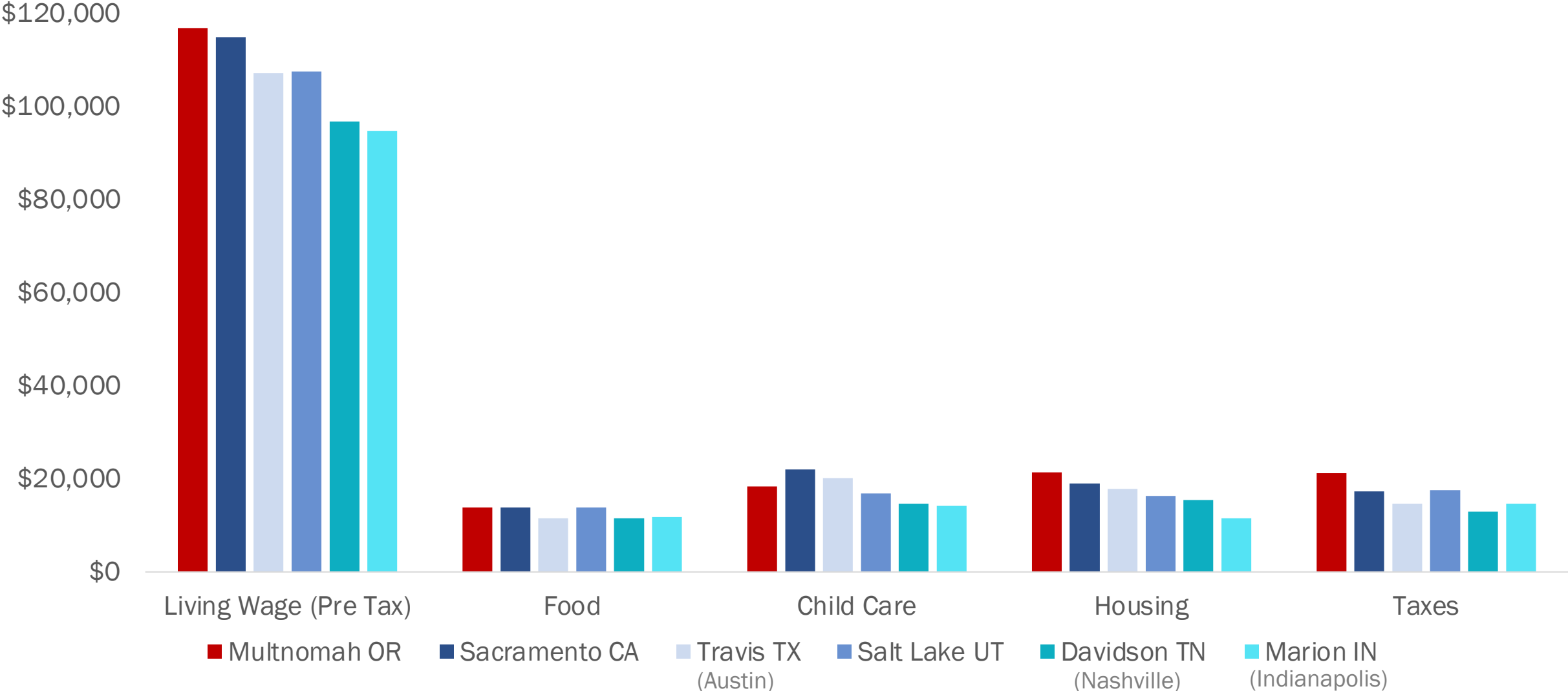
For a food manufacturing firm, earnings are up to 33% lower in Portland

Earnings as a share of revenues, before and after taxes, in selected regional locations, Archetypical food manufacturing company with 75% of products exported outside of the region



Living wage requirement, housing cost, and tax burden highest in Portland among peers

Living Wage and costs for 2 working adult and 2 child household



Source: MIT Living Wage Calculator

Portland Metro's contribution to the state economy

Portland Metro region's productivity benefits the State

Portland Metro Tri-County Share of Statewide Totals



Data: 2023 employment, 2022 population, 2021 income taxes, GDP

Source: BEA, OR Dept of Revenue, OR Employment Dept, OR Office of Econ Analysis, Portland State Population Research Center

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