



# Oregon's 2025-27 Tax Expenditure Report

Senate Finance and Revenue Committee

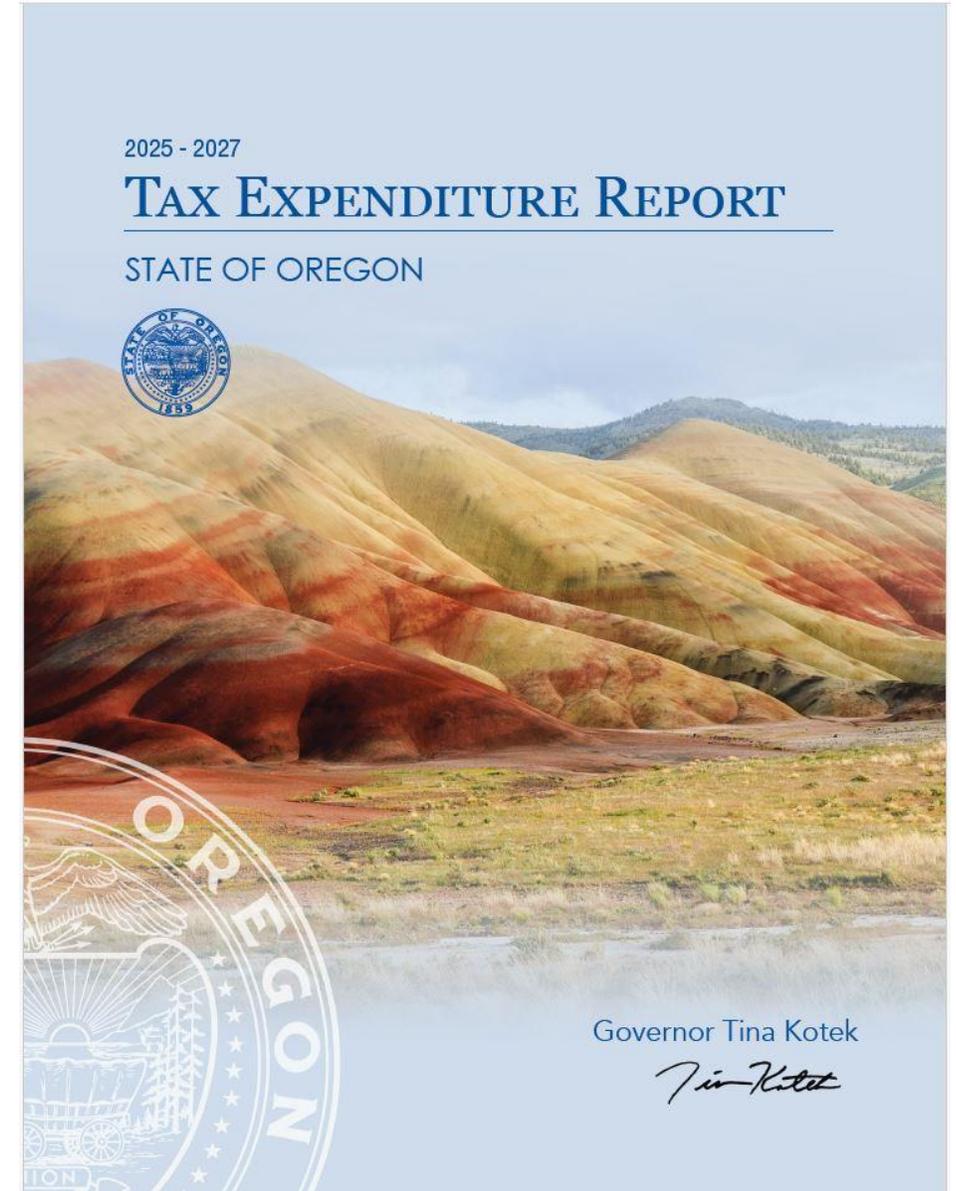
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# Oregon's Definition of Tax Expenditure

“...any law of the Federal Government or this state that exempts, in whole or in part, certain persons, income, goods, services or property from the impact of established taxes, including but not limited to tax deductions, tax exclusions, tax subtractions, tax exemptions, tax deferrals, preferential tax rates and tax credits.”

Oregon Laws 1995, Chapter 746  
(ORS 291.201)



**SUMMARY OF OREGON TAX PROGRAMS WITH TAX EXPENDITURES (\$ Millions)**

Tax Program	Number of Expenditures	Estimated Revenues 2025-27	Revenue Impact	
			2023-25	2025-27
<b>Income (Personal and Corporate)</b>	167	32,401	16,507	18,093
Federal Exclusions	54		8,527	9,468
Federal Adjustments/Deductions	30		3,130	3,316
Oregon Subtractions	30		2,931	3,356
Oregon Credits	45		1,660	1,683
Other Oregon Provisions	8		260	272
<b>Property</b>	140	20,418	12,540	13,442
Full Exemptions	94		11,024	11,878
Partial Exemptions	31		879	874
Special Assessment	14		642	700
Other	1		0	0
<b>All Other Oregon Taxes with Tax Expenditures</b>	50	8,090	622	628
	357	60,909	29,675	32,174
<b>All Oregon Taxes with Tax Expenditures</b>				

For reasons explained in Revenue Impacts on page 3, there are difficulties with summing tax expenditures. This table is intended only to provide rough orders of magnitudes for large groups of tax expenditures and caution should be exercised when adding revenue impacts.

# Top Ten Tax Expenditures for Personal and Corporate Income Taxes

Tax Expenditure Number	Tax Expenditure Name	2025-27 Revenue Impact (\$Millions)	Percent of Total
1.008	Pension Contributions and Earnings	3,900	22%
1.007	Employer Paid Medical and Cafeteria Plan Benefits	1,800	10%
<b>1.307</b>	<b>Social Security Benefits (Oregon)</b>	<b>1,560</b>	<b>9%</b>
<b>1.328</b>	<b>Federal Income Tax Subtraction</b>	<b>1,420</b>	<b>8%</b>
<b>1.443</b>	<b>Personal Exemption</b>	<b>1,270</b>	<b>7%</b>
1.210	Home Mortgage Interest	1,010	6%
1.009	Social Security Benefits (Federal)	972	5%
1.047	Capital Gains on Inherited Property	730	4%
1.211	Property Taxes	656	4%
1.221	Charitable Contributions	605	3%
	Subtotal	13,923	77%
	All Others	4,170	23%
	Total	18,093	100%

The three highlighted tax expenditures are specific to Oregon law, the other seven are due to Oregon's connection to Federal taxable income

# Top Ten Tax Expenditures for Property Taxes

Tax Expenditure		2025-27 Revenue		
Number	Tax Expenditure Name	Impact (\$Millions)	Percent of Total	
2.078	State and Local Property	3,620	27%	
2.072	Personal Property for Personal Use	2,230	17%	
2.063	Motor Vehicles and Trailers	1,570	12%	
2.093	Federal Property	1,170	9%	
2.024	Inventory	981	7%	
2.100	Strategic Investment Program	654	5%	
2.056	Western Private Standing Timber	489	4%	
2.129	Farmland	448	3%	
2.014	Long Term Rural Enterprise Zone (Property Tax)	389	3%	
2.085	Charitable, Literary, and Scientific Organizations	306	2%	
	Subtotal	11,857	88%	
		All Others	1,585	12%
		Total	13,442	100%



**Questions?**

**Research Section**

[www.Oregon.gov/DOR/STATS](http://www.Oregon.gov/DOR/STATS)

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