

**JEFF GOLDEN**  
**STATE SENATOR**  
DISTRICT 3



**OREGON STATE SENATE**

April 25, 2023

TO: Senate Finance & Revenue Chair Mark Meek  
House Revenue Chair Nancy Nathanson  
Joint Ways & Means Co-Chair Sen. Elizabeth Steiner  
Joint Ways & Means Co-Chair Rep. Tawna Sanchez

FROM: Senator Jeff Golden, District 3

RE: Proposal to establish one or more interim task force(s) on tax system adjustments

I write to ask consideration of establishing one or more interim Task Forces to review state taxation in an integrated yet topically-focused manner.

This request comes from my experience this session on the Senate Finance & Revenue and Joint Tax Expenditure Committees. We have been presented with a wide array of proposals for tax credits, exemptions and exceptions. Most of them pose a dilemma that counter-poise two important elements:

1. Many of the individual proposals have compelling merit. Whether it's offering tax credits to volunteer fire fighters, deductions to active members of our National Guard, or carve-outs from the Corporate Activities tax for health care providers receiving Medicaid reimbursements lower than their costs, these are measures that just about anyone would want to support.
2. While we're still two months away from completing the FY 2023-2025 State Budget, it is clear that some critically important programs will not be adequately funded. Every legislator's list of primary examples would likely be different; mine would include wildfire reduction/preparedness, vital staffing for DHS and other service-intensive agencies, and higher education support. There is no indication that this challenge will diminish in the foreseeable future, and it arguably grows more daunting with every revenue-reducing proposal we approve. The lost revenue from some of them may be negligible, but the aggregation quickly becomes problematic.

My central conclusion is that acting on these measures as one-offs, without more global deliberation, is not responsible fiscal stewardship. While current impacts may be manageable, the erosive nature of a series of isolated revenue-reducing decisions clearly does no favors to budget-makers in future sessions.

I propose that we begin a broader, disciplined and more integrated revenue conversation as soon as the current session ends. I don't propose trying to answer the question of what an optimal revenue structure for Oregon look like; that's the right question, but I doubt that the odds of

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coming anywhere close to a consensus answer are any better than in past attempts. This proposal would in a sense subdivide that question.

The overall project could be configured any number of ways. Here is one:

- Create three working groups with adequate professional staffing and thoughtful selection of key stakeholders, one each to examine the income tax, the corporate activities tax and the estate tax. If that's beyond available resources, establish one or two groups, each dedicated to one of those tax categories.
- Charge it/them with two questions:
  1. Informed by proposals from this or past sessions, what X (4? 5? 10?) reductions/waivers from the tax you're examining (income, CAT or estate) have the best public policy justification? (This could be an A-list, with an option for including a less-compelling B-list).
  2. Within the same tax, conceptually pay for the reductions recommended in Question #1, i.e., What revenue-enhancing revisions would you recommend in the tax you're examining to put forward a total package of recommended changes that is revenue-neutral?
- Ask that a final report be submitted to the Governor and relevant legislative Chairs by September 1, 2024.

The exact design of this project might differ from this significantly, but I hope the intention is clear: instead of acting on stand-alone revenue reduction proposals, let's consider them strategically so that state revenues, which (absent major revenue reform) will probably fall short of resourcing our key objectives in coming years, will not further dwindle.

I'd be pleased to participate in this project in any way that might be helpful. I'd appreciate hearing any thoughts you may have.

Thanks for your consideration.

Jeff Golden  
Senate District 3

Cc: Governor Tina Kotek  
Senate President Rob Wagner  
House Speaker Dan Rayfield  
Senate Majority Leader Kate Lieber