Comments on the Prosperity Council's Report: "*Recommendations for Oregon's Long-Term Competitiveness and Prosperity*"

Sept. 8 2026

House Committee on Economic Development, Small Business and Trade

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League Position on Tax Policy

“Any tax proposals should be evaluated based on their effects on the entire tax structure, and that a tax limitation is justified if it provides safeguards in the regulation of state and local services and economy.”

“A limitation is not desirable if it prevents provision of services, disrupts government functioning, inhibits progress or results in loss of local control.”

ITEP's "*Guide to State and Local Taxes*"

- Taxpayers with similar economic means should pay similar amounts of tax.
- Tax rates should be highest for those with the greatest financial capacity.
- Avoid tax policies that create "winners and losers" by promoting one sector of the economy ahead of another

Researchers agree that these subsidies rarely warrant the cost.

Research by the CBPP on *"Taxes and Economic Growth"*

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"Numerous studies found *no* correlation between taxes and economic growth."

"State tax reform is not the appropriate policy avenue for spurring business and job growth because

- **state taxes are a very small expense for most corporations and**
- **small businesses expand because of product or service demand, not tax levels."**

"Tax cuts could undermine economic growth by reducing the revenue government needs to fund services businesses depend on (e.g., schools and roads)."

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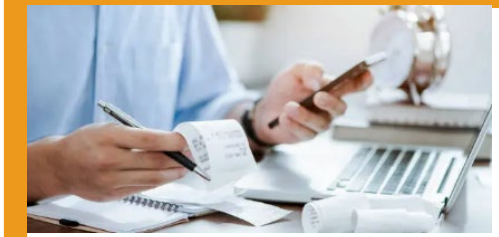
We Oppose These Prosperity Council's Tax Proposals

1) R&D Research Tax Credit
2) Raise the Estate Tax Exemption
3) Corporate Activity Tax Reductions
4) Qualified Small Business Stock Exemption

These tax proposals will reduce revenue and negatively affect the social and economic wellbeing of ordinary Oregonians.



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CONCLUSION

Oregon's tax structure is relatively progressive and any tax changes must be viewed for their effects on the entire tax system. If these Prosperity Council's investor tax breaks were in effect, Oregon would experience approximately $650 million* in lost tax collections for the 2027–29 biennium.

This estimate is courtesy of Joe Cortright who served as Executive Officer of the Oregon Legislature's **Joint Committee on Trade & Economic Development from 1983 to 1985 and served as Chair of the **Governor's Council of Economic Advisers** for 15 years.*

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QUESTIONS

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Thank you for this opportunity to present our views!