Submitter: Rose Kaler

On Behalf Of:

Committee: Senate Committee On Finance and Revenue

Measure, Appointment or Topic: SB1507

For nearly a century, Oregonians have been consistent in their opposition to broad-based sales taxes. Since the 1930s, voters have considered statewide sales tax proposals nine times and rejected each one.

I am Rose Kaler, a fourth-generation Oregonian, submitting testimony in opposition to the disconnect provisions contained in SB 1507.

At its core, this bill removes federal tax relief that Oregonians were led to expect, not through a direct tax increase, but by undoing that relief at the state level. Most taxpayers are not closely attuned to tax conformity statutes, nor are they generally aware that Oregon automatically conforms to federal tax law unless the Legislature intervenes. Using this technical process to reverse federal tax benefits lacks transparency and risks further eroding public confidence.

The disconnect provisions in SB 1507 target three specific areas: auto loan interest, small-business stock, and bonus depreciation. These provisions do not affect narrow or specialized tax strategies. They impact everyday Oregonians—working families and small business owners—who are already navigating one of the highest costs of living in the country.

If policymakers believe additional revenue is necessary, that debate should take place openly. Embedding a de facto tax increase within a technical conformity bill, where public awareness is minimal, is not an honest way to conduct tax policy.

While concerns about an upcoming budget shortfall have been raised, Oregon has also experienced historically high revenues in recent years. The challenge facing the state is not a lack of taxpayer contribution, but the continued growth of state spending at a pace that exceeds revenue growth. SB 1507 does not address that imbalance. Instead, it seeks to recapture federal tax relief before Oregonians ever realize its benefit.

For these reasons, I urge the Legislature to reject the disconnect provisions in SB 1507. Any serious discussion about changes to Oregon’s tax structure should occur transparently and with full public engagement—not through technical mechanisms that most citizens will never encounter.

In addition, Oregon’s kicker should not be redirected to cover PERS obligations. Doing so would offer only a short-term solution while leaving the underlying structural spending issues unresolved. Long-term stability will require meaningful restraint in state agency growth and policies that make Oregon a viable place for large employers to invest and remain.

Finally, a review of testimony submitted in support of SB 1507 suggests that much of it is standardized or form-based. That further highlights the need for a broader, more substantive public conversation on the fiscal direction of the state.