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On Behalf Of: Tax Payers
Committee: Senate Committee On Finance and Revenue
Measure, Appointment or Topic: SB1507

SB 1507 is a dangerous Trojan horse for a statewide retail sales tax in Oregon—one of the last states without this regressive burden. It conditions partial reductions in income and other taxes on creating a new sales tax, with revenue supposedly “dedicated” to specified purposes and offsets calculated by the Department of Revenue.

This isn't real tax relief; it's a bait-and-switch. Temporary cuts are dangled to sell the tax, but once enacted, a Democrat supermajority—known for repeated tax hikes—will almost certainly raise rates, expand the base, redirect funds, or pile on new levies without fully repealing existing ones.

The only defensible safeguard would be to eliminate all other state taxes (property, fuel, income, etc.) completely upon enacting a sales tax, and prohibit any new taxes forever. SB 1507 offers nothing remotely close. It risks layering a consumption tax that hits every purchase hardest on low- and middle-income families, who spend more of their income on essentials.

Oregonians have rejected sales taxes at the ballot box for decades for good reason. History warns us: the Oregon Lottery was sold in 1984 as economic development funding, then amended in 1995 to “dedicate” proceeds to schools. We all see how that turned out. Lottery profits now fund schools (about 53% today), but also are spread thin to multiple other programs. “Dedicated” funding proved flexible—redirected by voters and lawmakers alike.

Schools, now some of the worst in America, still face chronic shortfalls and budget fights because our legislators for the past 40 years don't know how to reel in irresponsible spending. The Lottery funds didn't replace other taxes or fix education; it just became another revenue stream in an ever-growing fiscal toolbox to spread around despite being marketed as support for our school system and economic development alone. And look where we are today - tanked in both categories.

A sales tax will follow the same path. SB 1507's “dedicated purposes” will last only until the next session's priorities change. The supermajority has shown it will hike taxes on fuel, businesses, transportation, and more—often defying voters. There's no guarantee they won't raise income taxes again while adding a sales tax.

Oregon's no-sales-tax status could be a major competitive edge, drawing residents and businesses from high-tax states if the ideology nonsense ended. Don't trade it for

illusory offsets from a legislature with little fiscal restraint. SB 1507 must be defeated. Oregon deserves genuine simplification and reduction of the tax burden—not another “dedicated fund” mirage that funds everything except what was promised.

Oregonians deserve better. Fiscal restraint, eliminate or reduce, simultaneously, all other taxes permanently before thinking about a sales tax. It can be done as seen in Nevada, Tennessee, Florida, Wyoming, and Washington.

Oregon (OR) has the highest overall tax burden compared to the comparison states (NV, FL, WA, WY, TN), driven by its progressive state income tax (4.75%–9.9%, one of the nation's highest top rates) and no statewide sales tax. Property taxes are moderate (effective rate ~0.78%–0.83%). The other states have no state income tax on wages, relying instead on sales taxes (ranging from 4% in WY to 6.85% in NV, plus local add-ons) and varying property taxes. This makes Oregon difficult to live in and afford.

This correlation should be eye opening:

Democratic dominance in the executive and legislative branch since the 1980s has overlapped with key policy drivers decreasing Oregon's affordability:

Reinforcement of urban growth boundaries (established 1973 but enforced and expanded under Democratic-led governments).

Limited housing supply amid population influx (tech boom in 1990s, Portland metro growth).

Recent sessions focusing on progressive priorities, though housing shortages and high costs persist despite efforts.

Evaluate what you're doing, change direction before it's too late.