

# FIGHT FOR WORKING FAMILIES

## INSTEAD OF LARGE CORPORATIONS AND WEALTHY INVESTORS



**Oregonians across the state are already suffering the consequences of the economic chaos coming out of DC**, paying more to put food on the table, heat their home, see a care provider when they're sick, and more. Now, to pay for giveaways to the ultra-wealthy, Oregon families are being squeezed again — this time, facing cuts to the critical services we rely on.

### We need Oregon legislators to fight for working families by:

1. Selectively disconnecting from Congress's giveaways to the ultra-wealthy and closing loopholes to prevent cuts to the critical services that Oregon families rely on.
2. Judiciously tapping our reserves to keep families afloat during this unprecedented attack on everyday people.



## WE CANNOT BALANCE THIS BUDGET ON THE BACKS OF WORKING FAMILIES

The problem: **Oregon is projected to lose over \$1 billion in the current (2025-27) budget alone due to HR 1.** That's equivalent to wiping out the entire state's early education budget.

- **The richest 1% of Oregonians are expected to get a more than \$42k tax cut**, while the lowest-earning 20% of Oregonians are expected to get a tax cut of just \$70 from HR 1.
- Rural residents, older Oregonians, people with disabilities, and refugees are just some of the people in our communities most likely to be hurt by the cuts to the Oregon Health Plan. An estimated **236,000 to 363,000 Oregonians are at risk of losing coverage** over the next decade.
- **340,000 Oregonians will lose or see reduced benefits** as a result of a \$435 million reduction in SNAP payments over the next two years, increasing child hunger, harming Oregon's economy, and putting rural food banks at risk.

**These aren't the only attacks on working families coming out of DC.** Tariffs are already hurting the Oregon economy and Oregon households, especially low-income workers. The annual price tag could reach \$5,000 per household. Furthermore, the expiration of the premium tax credit could leave tens of thousands of Oregonians paying **\$1,500 to \$5,500 more per year**, making health coverage unaffordable for many. Legislators must do everything possible to protect critical services and Oregonians from the harm of these federal actions. **Protect Oregon Now.**

We need lawmakers to use all tools at your disposal, including **closing tax loopholes for the wealthy** and tapping the reserves as needed to prevent cuts to the critical services that Oregon families rely on. You have options that will not balance the budget solely on the backs of working families:

### **PREVENT GENEROUS NEW TAX BREAKS FOR CORPORATE INVESTMENTS ACROSS THE COUNTRY**

- Disconnect from the suite of depreciation-related business tax breaks: Bonus depreciation (\$214m), Section 179 expensing (\$22m), Qualified Production Property (\$68m), and Research & Experimentation expensing (\$81m) that reduce Oregon revenue, even if the investment is outside of Oregon

### **MAKE CORPORATIONS THAT HIDE PROFITS OVERSEAS PAY WHAT THEY OWE**

- Disconnect from Foreign-Derived Deduction Eligible Income (FDDEI), formerly FDII, deduction (\$67m)
- Increase Net CFC Tested Income (NCTI), formerly GILTI, inclusion from 20% to 50% (\$121m)

### **END OREGON'S TAX BREAK FOR WEALTHY BUSINESS OWNERS**

- Eliminate (\$145m) or deeply reduce (\$20m-\$45m) Oregon's reduced tax rates for certain pass-through business owners.\*\*

### **STOP FEDERAL TAX BREAKS FOR WEALTHY INVESTORS**

- Disconnect from Opportunity Zone capital gains tax breaks (\$17m/yr starting in 2027 )
- Disconnect from Qualified Small Business Stock (QSBS) exclusion (\$35m)

### **END OTHER TAX BREAKS THAT ARE POORLY DESIGNED AND REGRESSIVE**

- Keep the State and Local Tax (SALT) deduction capped at \$10,000 (\$35m)
- Disconnect from auto loan interest deduction (\$32m in 26TY, \$62M in 27TY)
- Disconnect from mortgage interest deduction for vacation homes (\$9m)

### **JUDICIOUSLY TAP RESERVES DESIGNED FOR A CRISIS LIKE THIS MOMENT**

- Oregon's reserves should be used strategically and sparingly in this unprecedented moment to prevent knee-jerk cuts. There are smart ways to leverage these resources to save jobs and prevent permanent deep harm.
- Legislators last tapped the reserves during the COVID-19 pandemic in 2020. Lawmakers strategically used reserves then to minimize harm to Oregon families. We face another crisis today in the form of unprecedented federal attacks on everyday people. It would be malpractice not to strategically tap reserves to prevent deep cuts.

 \* Indicates estimate based on the Tax Expenditure Report, not from Legislative Revenue Office (LRO). All other estimates are from LRO for the 2026 Tax Year.

\*\* This policy is not related to federal tax code. This is an Oregon-specific policy.