



Date: February 4, 2026

To: Senate Finance and Revenue

From: Emily McLain, Oregon Education Association

Subject: SB 1507

### Close Tax Loopholes in Order to Protect Funding for Oregon Students and Educators

Chair Broadman, Chair Nathanson, Vice Chair McLane, members of the committee,

My name is Emily McLain here on behalf of the Oregon Education Association. The Oregon Education Association represents over 42,000 educators across the state of Oregon. The membership of our union spans every aspect of education. We represent educators from pre-kindergarten, K-12 and Community colleges. In short, our members are the ones who ensure students arrive at school safely, are fed, supported in crisis, teach in front and the back of classrooms, and work in difficult conditions to support students and our communities every day.

I am here to express OEA's support for SB 1507. But I want to clearly state that Oregon Educators are disappointed because they know it should and could go further to prevent devastating cuts to schools, food assistance, healthcare, childcare, and other critical services. Oregon educators ask you to keep fighting to prevent those cuts that will only deepen the affordability crisis facing hard-working families as indicated by the elevated inflation and unemployment higher in Oregon referenced today. Today we learned 9,000 jobs lost, and those "reliant on employment income." Lets say that plainly, those without wealth who need a job – are the ones who hurt. Oregon needs to close tax loopholes that benefit the wealthy and large corporations. And while this proposal is the first step in that direction, educators across Oregon are being laid off and warned of additional future cuts right now, before this proposal is even final.

The negative impact of the federal budget bill HR 1 is sobering. Nearly 1 billion in lost revenue just this year and the projected impacts in future years are catastrophic. It hits hardest in places where families are already struggling the most. Oregon has 162,215 children directly certified for free meals through SNAP. School meals are more than a budget line item. They are lifelines that help students learn and grow. The HR 1 impact on Medicaid is incredibly harmful for schools. Hundreds of thousands of school aged students rely on Medicaid. Access to healthcare is essential to our schools and student success.



As I testify before you today, the educators I work for who make up the union are doing their job supporting students. They're providing counseling, holding an IEP meeting, supporting students who are afraid ICE might show up, they were at the bus barn well before most of us were awake today. And, the truth is none of them are clamoring to testify in support of this proposal because we joined in coalition with other unions and organizations to propose a package that added up to over \$750 million. HR 1 and the Trump administration put us in this billion-dollar crisis. Now the ownness is on the Oregon legislature to lead Oregon forward through this. We appreciate the hard work of Senator Broadman and Representative Nathanson to close tax loopholes that disproportionately benefit large corporations and the very wealthy including:

- The so-called “Qualified Small Business Stock Deduction”, a loophole that allows Wall Street to avoid paying capital gains taxes on riskier investments.
- “Bonus Depreciation” which allows big corporations to deduct up to 100% of the cost of new assets in the first year they are placed in service, a loophole used to hide profits
- Vehicle Loan Interest Deduction on new car sales

We commend the inclusion of Earned Income Tax Credit which directly puts resources in the pockets of working families who are struggling to afford food and basic necessities. Unfortunately, this proposal leaves a majority of President Trump’s taxpayer handouts to the megarich and large corporations in place. OEA members do not want Oregon to rubberstamp these tax breaks. Oregon educators are asking you to take this first step to pass SB 1507, and then take more. OEA supports the judicious use of reserves as we urge you to prevent cuts to education and other critical services.

The revenue forecast today should be seen as an opportunity to press forward before it gets worse and brace our state to be a backstop against an increasingly harmful federal landscape that makes it harder for working families to thrive.