

Submitter:

Glenn Lancaster

On Behalf Of:

Committee:

House Committee On Revenue

Measure, Appointment or Topic:

HB4125

Dear Members of the House Revenue Committee,

My name is Glenn Lancaster and I am submitting testimony in strong opposition to HB 4125 — or any legislative changes that would reduce, divert, or fundamentally alter Oregon's Kicker refund.

#### Background & Why the Kicker Matters

1. The Oregon "Kicker" is a constitutional taxpayer protection — it requires Oregon to return excess revenue when state tax collections exceed forecasted revenue by more than 2% of projected receipts. This mechanism was enacted by the Legislature in 1979 and placed into the Oregon Constitution by voter-approved Measure 86 in 2000. It exists to protect taxpayers and enforce fiscal discipline, not to serve as a discretionary funding source for government.
2. The kicker refund is not arbitrary or discretionary revenue. It is surplus revenue returned to taxpayers after lawmakers have already balanced the state budget. By law, that surplus is not supposed to be retained by government or reallocated except by voluntary donation by the taxpayer (e.g., to the State School Fund).
3. For tax year 2025, Oregon taxpayers are receiving a \$1.4+ billion surplus kicker credit — one of the largest in state history. This refund — delivered as a tax credit on 2025 state income tax returns filed in 2026 — effectively acknowledges that Oregon collected more revenue than anticipated.
4. The kicker is calculated proportionately based on taxpayers' prior-year tax liability. This means every dollar returned belongs to taxpayers because it represents overpayment relative to projections, not an optional government budget surplus.

#### Concerns with HB 4125 / Proposed Changes

5. HB 4125 — referred to in some reports as the "Kicker Theft Bill" — would alter how the kicker formula is calculated and divert portions of refund revenue to other funds such as pension debt or unspecified priorities, effectively reducing or eliminating refunds owed directly to taxpayers.
6. Blocking early online testimony and confusion over committee assignments undercuts a fair public process. Oregonians are constitutionally entitled to adequate opportunity to present testimony on bills that affect their assigned rights, including refund entitlements.
7. There are legitimate policy debates over how to fund pensions, schools, and wildfire response — but the kicker should not become a backstop funding source for government spending. Diverting or reducing refunds sets a dangerous precedent: it treats the kicker as a discretionary fund rather than a constitutional tax rebate owed to the people.

## Protecting & Enhancing the Kicker for Taxpayers

8. The framework of the kicker already includes a voluntary donation option — taxpayers may choose to donate all or part of their refund to the State School Fund or approved charities. This ensures public priorities can be met without stripping money from taxpayers by legislative fiat.

9. Rather than reducing refunds or diverting funds, lawmakers should:
- o Protect the integrity of the kicker law in the Oregon Constitution.
  - o Clarify the statute so that taxpayers and preparers understand their rights.
  - o Keep taxpayer refunds whole unless individuals choose to donate.
  - o Ensure a transparent and timely online testimony process for all bills affecting taxpayer rights.

## Conclusion

HB 4125 is fundamentally a threat to Oregon taxpayers' constitutional right to receive a kicker refund they've already earned through overpayment of taxes. I strongly oppose any measure that reduces, diverts, or recalculates the kicker in a way that benefits government spending interests at the expense of taxpayers.

I urge the Committee to uphold the Oregon Constitution, protect taxpayer refunds, and reject HB 4125.

Thank you for your consideration.

Sincerely,

Glenn Lancaster - Wilsonville, OR