

**To:** Senate Committee on Finance and Revenue

**Re:** Senate Bill 1507

**On:** February 4, 2026

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

I am submitting this testimony in support of Senate Bill 1507 on behalf of SEIU Local 503's 72,000 represented workers across the State of Oregon, including state workers, care providers, local government employees, classified staff in higher education, and more.

It is not possible to talk about this bill without first acknowledging the circumstances that have put Oregon in this position. Last summer, Congress passed HR 1, which cut critical services like SNAP and Medicaid in order to pay for tax breaks that predominantly benefit the wealthy and large corporations. Oregonians are already paying the price of this bill, through higher healthcare costs, less money to put food on the table, and now the threat of budget cuts to programs that families rely on. And, we should remember, this is by design. As today's revenue forecast makes clear, Oregon has a tale of two economies. The wealthy and large corporations are faring just fine thanks to Trump's economic policies, and lower income and working-class Oregonians are falling further and further behind.

This is a crisis that will only get worse over the next six years, as the impacts of HR 1 are fully implemented and Oregon loses out on billions in federal funding and the federal government shifts hundreds of millions of administrative costs onto our State to provide basic services. The workers we represent at the Oregon Department of Human Services are acutely aware of the worst impacts of HR 1, as eligibility workers prepare to be forced to implement work requirements, benefit reductions, and the elimination of benefits for hundreds of thousands of Oregonians – including thousands of immigrants of and refugees.

Our members and Oregonians more broadly are looking to the Legislature to serve as the backstop to protect them from the worst impacts of a federal government that is increasingly hostile to low-income and vulnerable people. Will Oregon balance the budget on the backs of working people while sending millions of dollars out to our wealthiest taxpayers, or will we reject these tax breaks, close tax loopholes, and invest in things that will help prevent Oregonians navigating this K-shaped economy from falling further behind?

Senate Bill 1507 is an important step in the right direction to close tax loopholes, promote affordability, and protect funding for healthcare, education, public safety, and more. I want to draw attention to additional materials and research submitted to the

record that emphasize the smart choices being made in SB 1507-5 to disconnect from Qualified Small Business Stock (QSBS) and Bonus Depreciation in particular:

- QSBS tax breaks apply exclusively to C-Corporations, not traditional small businesses (LLCs, sole proprietorships, partnerships, etc.)
- Approximately 94% of the tax benefits of QSBS go to households with more than \$1 million in annual income. That's not a working family, and certainly not a household impacted by the cuts caused by HR 1.
- Nothing requires that businesses taking advantage of the Oregon deduction for bonus depreciation have made that investment in our State, as opposed to anywhere else in the U.S.
- There is research showing that bonus depreciation's core promise that it boosts employment is not backed by the evidence.

Oregon has an obligation to evaluate every tax break for large corporations and wealthy individuals as an expenditure, and to ensure that the cost is worth it for Oregon families and our State, which is what Senate Bill 1507 starts to do.

**Even so, it doesn't go far enough.** Even if SB 1507 passes, the Legislature will still have to make cuts to programs that will have impacts on Oregonians who are already struggling. Those are cuts we wouldn't have to make if we weren't leaving hundreds of millions of these tax breaks intact. And if those cuts include program reductions or layoffs, our union will have to explain to our members why the Legislature didn't do more to protect their jobs and their livelihoods.

We ask you to pass SB 1507 and then commit to ongoing work to prevent cuts now and in the future that will only serve to worsen the affordability crisis squeezing working families. This includes, if necessary, dipping into reserves, focusing on finding efficiencies before eliminating jobs, evaluating the remaining tax breaks in HR 1, closing additional tax loopholes, and prioritizing programs that serve people who are already impacted by the pain of HR 1.

Thank you for your consideration,

Courtney Graham  
Political Director  
SEIU Local 503