



To: House Committee on Revenue
From: Consolidated Oregon Indivisible Network (COIN)
Re: HB 4125 revenue Forecast Modernization Act
Date: February 3, 2026

Chair Nathanson, Vice Chair Reschke, Vice Chair Walters, and Members of the House Revenue Committee:

The Consolidated Oregon Indivisible Network (COIN) fully supports HB 4125, the Revenue Forecast Modernization Act. COIN is a coalition of over 75 local Indivisible groups, representing every region in the state, that cooperate and amplify their efforts to advance important federal and state legislation and engage with elected officials to promote progressive causes for the benefit of all Oregonians.

We have read through all the testimony supporting and opposing this bill, and the response to the Legislature by most opponents can be briefly summarized as “Keep the kicker. Learn how to budget.” Though that may be a bitter pill to swallow, we believe that is precisely the intention of the bill sponsors – to revisit and reform the state revenue forecast process in a way that improves accuracy and allows for responsible budgeting of Oregon taxpayer funds.

In genuine “surplus” years, Oregonians will still receive kickers. However, state economists will no longer be asked to predict a single figure representing the state revenue estimate for 2 years later, in which anything more than 2% of that figure is considered a “surplus”. (In fact, the process economists use to forecast future revenue has always involved multiple estimates, depending on modelling scenarios and assumptions about socioeconomic, geopolitical, demographic, etc. factors. At a certain point, the economist is expected to provide a “single best” estimate, “somewhere” along the spectrum.)

Instead, HB4125 asks the economists to provide a range of predicted revenue – a lower conservative figure (“we expect to get at least this much”), and a higher figure, or “cap” (“we might stand a reasonable chance to get this much more”). The Legislature will budget to the conservative figure, as we would expect.

If it’s a reasonably good year and actual revenue falls between the lower figure and the cap, we have funds (called “delta funds”) to stabilize and strengthen the budget (e.g., pay off debt) in preparation for more lean years, and/or to use for one-time costs for unforeseen emergency events (e.g., wildfires and floods) or boosts to education and health care needs

for all Oregonians. Notably, these funds will not be used for NEW programs or ongoing budget liabilities.

If it's an exceptionally good year, and revenue exceeds the cap, the "surplus" is given out as a kicker.

We think this proposal is a much more fair arrangement, for the majority of Oregonians, than the current kicker system. Since the kicker calculation is based on the amount of taxes paid, one might say that wealthier people should get more kicker because they pay more taxes. Let's see what this looks like. The Oregon Center for Public Policy (Issue Brief, 2/12/24) reports that for the 2021 kicker, white Oregonians with annual incomes over \$500,000 (~20,000 people) collectively received over \$290 million in kicker rebates, which was "more than the combined total kicker dollars received by the ~410,000 non-white filers in Oregon". But most white Oregonians don't reap equitable benefits from the current kicker system either. In 2021, the "average" kicker was ~\$850. "But because kicker dollars mainly flow to those at the top, most Oregonians – including most white Oregonians – received a kicker that was less than the average". This perpetuates a system of income inequality. Fairness wanes.

The intent of the original kicker bill was commendable. But the system by which it is calculated and distributed is inadequate. It can be remedied and invigorated. **We urge you to please consider HB4125 with thoughtful concern for the vitality and well-being of all Oregonians.**

Thank you very kindly.

Patricia Kramer, Portland

On behalf of Consolidated Oregon Indivisible Network