

Submitter: Steven Higdon

On Behalf Of:

Committee: Senate Committee On Finance and Revenue

Measure, Appointment or Topic: SB1507

My name is Steven Higdon, and I am an Oregon resident submitting testimony in strong opposition to SB 1507.

Oregonians have rejected a sales tax nine times. That history isn't an accident—it reflects a deeply held belief that adding a consumption tax in a state with high income taxes and rising cost of living is the wrong direction for working families and small businesses. SB 1507 attempts to reintroduce a sales tax framework without addressing the core issue that has driven voter opposition for decades: there is no guarantee—none—that adopting a sales tax today won't be followed by an income tax increase tomorrow.

1. SB 1507 breaks trust by offering no structural protection against tax stacking
The bill's supporters frame it as a limited, targeted revenue tool. But the bill contains no constitutional safeguard preventing future legislatures from layering additional taxes on top of it. Once a sales tax mechanism exists, expanding it becomes politically and administratively easy. Oregon taxpayers have seen this pattern before: temporary taxes become permanent, narrow taxes broaden over time, and "small" revenue tools grow into major burdens.

If lawmakers want Oregonians to consider a sales tax, the minimum requirement should be a constitutional guarantee that income taxes will not increase—or that the sales tax will replace, not supplement, existing taxes. SB 1507 offers no such protection.

2. A sales tax disproportionately harms rural communities and low-income households

Oregon's current tax structure—while imperfect—avoids the regressive nature of sales taxes. SB 1507 would shift more of the tax burden onto families who already spend a higher percentage of their income on basic goods. In rural areas, where wages are lower and costs are higher, this impact is even more pronounced. Without a corresponding reduction in income taxes, SB 1507 effectively asks working Oregonians to pay more for the same services, with no guarantee of improved outcomes.

3. Oregon's revenue problem is not a lack of taxes—it's a lack of stability and accountability

Oregon already has one of the highest income tax burdens in the country. Revenue volatility stems from structural issues—dependence on capital gains, inconsistent spending discipline, and lack of long-term budget planning—not from insufficient

taxation.

SB 1507 does nothing to address these underlying problems. Instead, it adds another tax stream without ensuring that existing revenue is being used efficiently or responsibly.

4. The bill circumvents the will of voters

Oregonians have been clear: they do not want a sales tax. Attempting to introduce one through legislative maneuvering rather than a direct vote undermines public trust. If lawmakers believe a sales tax is truly necessary, they should present a transparent, constitutionally protected proposal to the voters—not attempt to slip a partial version into statute.

Conclusion

SB 1507 is not a tax reform plan. It is a tax addition plan. Without ironclad protections against future income tax increases, without meaningful relief for working families, and without voter approval, this bill represents a step toward a more burdensome and less accountable tax system.

I urge the committee to reject SB 1507 and pursue reforms that respect Oregon's history, protect taxpayers, and rebuild trust through transparency—not through incremental tax layering.

Thank you for your consideration