

Tax Facts That Matter: 2015 Edition

Who pays more, low- or high-income households?

The income group in Oregon that pays the highest share of their income to state and local taxes:
Lowest income households.¹

The income group in Oregon that pays the lowest share of their income to state and local taxes:
The wealthiest 1 percent of households.²

Have taxes increased as a share of Oregonians' income?

Oregon state and local general revenue as a share of income in 1991: **15.8 percent.**³

Oregon state and local general revenue as a share of income in 2012: **15.0 percent.**⁴

How much do working poor Oregonians pay in income taxes?

2013 federal poverty threshold for a family of four with two children: **\$23,624.**⁵

State income tax paid in Oregon by a family of four living at the poverty line in 2013: **\$230.**⁶

Of the 42 states with income taxes, the number that taxed the income of a family of four living at the poverty line in 2013: **16.**⁷

Oregon's rank in taxing the income of a family of four living at the poverty line in 2013:
5th highest.⁸

What share of income goes to the top 1 percent?

Share of income going to Oregon's top 1 percent in 2013: **14.0 percent.**⁹

Share of income going to Oregon's bottom 40 percent in 2013: **7.7 percent.**¹⁰

What share of capital gains income goes to the top 1 percent?

Share of income from capital gains going to Oregon's top 1 percent in 2013: **53.0 percent.**¹¹

Share of capital gains going to Oregon's top 5 percent in 2013: **73.6 percent.**¹²

Share of income from capital gains going to Oregon's bottom 95 percent in 2013:
27.5 percent.¹³

How do lottery and income tax revenues compare?

Anticipated state revenue from personal income taxes in 2015-17: **\$15.75 billion.**¹⁴

Anticipated state revenue from the Oregon Lottery in 2015-17: **\$1.13 billion.**¹⁵

Anticipated state revenue from corporate income taxes in 2015-17: **\$1.08 billion.**¹⁶

Do corporations pay a fair share of income taxes?

Share of Oregon income taxes paid by corporations in 1973-75: **18.5 percent.**¹⁷

Share of Oregon income taxes corporations are projected to pay in 2015-17: **6.4 percent.**¹⁸

Additional state revenue available in 2015-17 for schools, health and human services and public safety if corporations paid the same share of the state's income taxes as they paid in 1973-75: **\$2.5 billion.**¹⁹

Amount of additional money Oregon schools needed in 2013-15 to provide all children a quality education: **\$2.2 billion.**²⁰

Do some profitable corporations pay *nothing* in income taxes?

Number of profitable corporations doing business in Oregon that paid the corporate minimum tax in tax year 2012: **3,294.**²¹

Number of corporations with Oregon profits that used tax credits to reduce their 2012 tax liability *below* the corporate minimum tax: **218.**²²

Number of corporations with Oregon profits that paid *nothing* in Oregon corporate income taxes for tax year 2012: **169.**²³

Number of corporations with over \$1 million in Oregon profits that paid *nothing* in Oregon corporate income taxes for tax year 2012: **at least 49.**²⁴

The names of corporations that paid *nothing* in corporate income taxes that support the public structures that create a strong business climate:
The legislature has yet to make this public.

Who itemizes deductions and who uses the standard deduction?

Share of Oregonians who itemized their deductions in 2013: **47.0 percent.**²⁵

Share of Oregonians who used the standard deduction in 2013: **53.0 percent.**²⁶

Share of Oregonians earning \$100,000 or less in 2013 who itemized: **39.7 percent.**²⁷

Share of Oregonians earning \$100,000 or less in 2013 who used the standard deduction:
60.3 percent.²⁸

Share of Oregon's wealthiest 1 percent who itemized in 2013: **95.5 percent.**²⁹

Who benefits from the mortgage interest deduction?

Projected cost of the Oregon mortgage interest deduction in 2015-17: **\$962 million.**³⁰

Share of the mortgage interest deduction benefits going to the highest-earning 20 percent of Oregonians in 2011: **61 percent.**³¹

Who benefits from the Oregon EITC?

Projected 2015-17 cost of the Oregon Earned Income Tax Credit (EITC): **\$105 million.**³²

Share of Oregon taxpayers benefiting from the Oregon EITC in 2013: **About 16 percent.**³³

Share of Oregon EITC going to working families in 2013: **100 percent.**³⁴

Average benefit of the EITC per working family that received the credit in 2013: **\$125.**³⁵

How has Oregon's economy performed since voters raised taxes on the wealthy and corporations?

Year that Oregonians enacted Measures 66 and 67, increasing taxes on high-income households and profitable corporations: **2010.**

Among all states, Oregon's rank in per person economic growth (measured by gross state product growth per capita) for 2010 through 2013:
3rd highest.³⁶

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Endnotes

¹ Institute on Taxation and Economic Policy (ITEP), *Who Pays? A Distributional Analysis of the Tax Systems in All 50 States*, Fifth Edition, January 2015, pp. 103-104, available at <http://www.itep.org/pdf/whopaysreport.pdf>. Based on permanent law as of December 31, 2014 and 2012 income levels, households in the bottom 20 percent of the income scale, as a group, saw 8.1 percent of their income go to state and local taxes.

² ITEP, *Who Pays?*, pp. 103-104. Based on permanent law as of December 31, 2014 and 2012 income levels, households in the top 1 percent of the income scale, as a group, saw 6.5 percent of their income go to state and local taxes.

³ OCPP analysis of state finance data from U.S. Census Bureau, Annual Survey of State and Local Government Finances and Census of Governments, available from the Urban Institute-Brookings Institution Tax Policy Center, State and Local Finance Data Query System at sldqs.taxpolicycenter.org. Income is personal income plus capital gains, from U.S. Bureau of Economic Analysis (BEA) and Oregon Department of Revenue. State and local revenue is “own-source” general revenue, revenue generated by state and local governments for general purposes.

⁴ OCPP analysis of Census Bureau, BEA and Oregon Department of Revenue data. See note 3.

⁵ U.S. Census Bureau, *2013 Poverty Thresholds by Size of Family and Number of Children*, available at <https://www.census.gov/hhes/www/poverty/data/threshld>.

⁶ NCCP, *Taxing the Poor: State Income Tax Policies Make a Big Difference to Working Families*, p. 5.

⁷ Hartig, Seth, Curtis Skinner and Mercedes Ekono, National Center for Children in Poverty (NCCP), *Taxing the Poor: State Income Tax Policies Make a Big Difference to Working Families*, November 2014, p. 5.

⁸ NCCP, *Taxing the Poor: State Income Tax Policies Make a Big Difference to Working Families*, p. 5.

⁹ OCPP analysis of Oregon Department of Revenue data.

¹⁰ Ibid.

¹¹ OCPP analysis of Oregon Department of Revenue data. Capital gains are net capital gains.

¹² Ibid.

¹³ Ibid.

¹⁴ Oregon Office of Economic Analysis (OEA), *Oregon Economic and Revenue Forecast*, May 2015, p. 50, available at <http://www.oregon.gov/DAS/OEA/docs/economic/forecast0515.pdf>.

¹⁵ OEA, *Economic and Revenue Forecast*, March 2015, p. 60.

¹⁶ OEA, *Economic and Revenue Forecast*, March 2015, p. 50.

¹⁷ OCPP analysis of data from Oregon Legislative Revenue Office.

¹⁸ OCPP analysis of OEA data, *Oregon Economic and Revenue Forecast*, March 2015, p. 28.

¹⁹ Assuming the current level of personal income tax collections. OCPP analysis of data from Oregon Legislative Revenue Office and OEA, *Oregon Economic and Revenue Forecast*, March 2015, pp. 46-48.

²⁰ OCPP analysis of Oregon Quality Education Commission, *Quality Education Model Final Report, Volume 1 Findings and Recommendations*, August 2014 and Legislative Fiscal Office, *Analysis of the 2013-15 Legislatively Adopted Budget*, available at <https://www.oregonlegislature.gov/lfo/Documents/2013-15%20LAB.pdf>. The \$2.2 billion figures does not include the cost of full-day kindergarten.

²¹ In this fact sheet “profitable” or “profits” means Oregon taxable income; “corporations” means C corporations. Oregon Department of Revenue, Oregon Corporate Excise and Income Tax, 2014 Edition, p. 3-13.

²² Oregon Department of Revenue, Oregon Corporate Excise and Income Tax, 2014 Edition, p. 3-13.

²³ OCPP analysis of data from Oregon Department of Revenue, Oregon Corporate Excise and Income Tax, 2014 Edition, p. 3-13 and email correspondence from Mary Fitzpatrick, Oregon Department of Revenue, to Tyler Mac Innis, OCPP, March 10, 2015. The number of corporations with \$0 in tax liability is subject to change as amended returns are filed and audits take place.

²⁴ When showing the number of companies paying no minimum tax, Department of Revenue (DOR) combines the number of companies with profits between \$500,000 and \$1 million with those of \$1 million or more in profits for confidentiality reasons. We know that 12 companies with profits between \$500,000 and \$1 million used credits to

reduce at least some of their taxes. DOR data shows that 61 companies in the combined category of \$500,000 or more in profits reduced their taxes to zero. If all 12 companies with profits between \$500,000 and \$1 million reduced their taxes to zero, then at least 49 of the 61 with profits paying zero taxes in the combined \$500,000 or more category had taxable income of \$1 million or more. OCPP analysis of data from Oregon Department of Revenue, Oregon Corporate Excise and Income Tax, 2014 Edition, p. 3-13 and email correspondence from Mary Fitzpatrick, Oregon Department of Revenue, to Tyler Mac Innis, OCPP, March 10, 2015.

²⁵ OCPP analysis of Oregon Department of Revenue data. Data is for all filers in tax year 2013.

²⁶ Ibid.

²⁷ Excluding returns with negative adjusted gross income. OCPP analysis of Oregon Department of Revenue data. Data is for all filers in tax year 2013.

²⁸ Ibid.

²⁹ OCPP analysis of Oregon Department of Revenue data. Data is for all filers in tax year 2013.

³⁰ State of Oregon, 2015-17 Tax Expenditure Report, pp. 91-2.

³¹ Ibid.

³² State of Oregon. 2015-17 Tax Expenditure Report, p. 135.

³³ OCPP analysis of Oregon Department of Revenue data. Data is for full year returns in tax year 2013.

³⁴ Ibid.

³⁵ Oregon Department of Revenue data.

³⁶ OCPP analysis of BEA data. Oregon's per capita gross state product growth trailed only that of North Dakota and Texas over this time period.