



Senate Finance & Revenue Committee

January 31, 2023

Testimony in Support of SB 1

Chair Meek, Vice-Chair Boquist, and Members of the Committee,

My name is Daniel Hauser, Deputy Director of the Oregon Center for Public Policy, and I respectfully submit this testimony in support of Senate Bill 1 on behalf of the Center.

The Oregon Center for Public Policy is a nonpartisan think tank dedicated to improving economic outcomes for all Oregonians, particularly low-income families and Oregonians of color, through research and analysis.

SB 1 adds an optional form to Oregon's personal income taxes, asking people to select up to three racial and ethnic identifiers from nearly 40 definitions. These definitions mirror the REAL-D (Race, Ethnicity, Language, and Disability) options developed by the Oregon Health Authority through a multi-year process in collaboration with community-based organizations.

These data will help everyone – lawmakers, researchers, advocates, and the public – better understand how our tax structure and tax expenditures are distributed between different racial and ethnic groups throughout our state. Understanding the extent to which the tax system, and particular tax provisions, impact racial disparities can help us find ways to reduce those disparities.

The data generated by SB 1 will only be used for statistical analyses. Only the Research Section at the Oregon Department of Revenue, the Legislative Revenue Office, and the Oregon Office of Economic Analysis will have access to the data collected by this bill. The data will be kept completely separate from tax auditors to eliminate any risk it could be used, for example, to assess stricter audits on people of color in the state. The legislation also requires this separation to be reviewed regularly by the Joint Committee on Information Management and Technology.

We urge you to shine a light on Oregon's tax system and support SB 1.

