



The League of Women Voters of Oregon, established in 1920, is a grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

February 9, 2026

To: [Senator Broadman](#), Chair, and Members of the [Senate Committee On Finance and Revenue](#)

Re: [SB 1507](#) -7 Disconnect package to [H.R.1](#) – Support

The LWVOR believes a tax system should be *“equitable, adequate, stable, easy to administer and as simple as possible”* and *“be flexible enough to adjust to social and economic changes (e.g., population shifts, development of new industry, demands for more services and changes in business cycles).”*

In the face of lower state revenue and the loss of significant federal dollars through the changes created by the federal HR1 tax law, this bill responds to the need to fill in Oregon’s revenue shortfall by disconnecting from certain sections of the federal bill which otherwise would reduce Oregon’s revenue, due to Oregon’s rolling connection to federal income tax law.

LWVOR strongly supports SB 1507 -7, which would disconnect from certain unnecessary tax credits starting this year. We especially support the increase in the Earned Income Tax Credit (EITC) which the League has consistently supported that helps struggling families at the lowest income level. The -7 is the most recent version which includes all the provisions of the -5 but adds important sidebars in the job creation tax credit:

1. Removes the vehicle loan interest deduction
2. Increases Oregon’s EITC from 9% to 14% of federal EITC amount, or from 12% to 17% for taxpayers with a dependent under the age of 3 at close of tax year.
3. Disconnects from personal income tax exclusion for gain from the exchange or sale of qualified small business stock.
4. Disconnects from bonus depreciation provision.
5. Credit for corporate taxpayers creating jobs allows \$1,000 × number of jobs created in the year, capped at 10 new jobs per year. Wages paid must be at 150% of the minimum wage. These credits are capped at \$12.5 million per year and end in 2031.

The bonus depreciation item was hotly contested in Senate Revenue on Wednesday Feb 4, which allows a business to take 100% depreciation when replacing new equipment in the first year. Eliminating this tax break would increase Oregon’s revenue by \$267 million dollars this biennium according to [LRO’s estimates on the bill](#), by far the largest revenue savings item.

The -6 amendment caps the jobs tax credit at ten new employees (\$10K) added to payroll per taxpayer per tax year. It also requires that the salary for these new employees be at 150% of the local minimum wage. We applaud these revisions which if not added could have bled a huge amount of revenue over the years. These additions are now encompassed in the -7s.

The -7 adds requiring corporate taxpayers at time of certification to attest that the taxpayer has created new jobs that meet compensation requirements. In determining certification of credit, it removes a requirement to use quarterly census of employment and wages data provided by the Employment Department, which streamlines the administration of the credit.

Given that so many of our most vulnerable Oregonians rely on federal SNAP and Medicare dollars to survive, and those benefits have been drastically cut by HR 1, this disconnect package is vital to increasing Oregon’s revenue to address these needs.

LWVOR urges your support for SB 1507 -7. Thank you for the opportunity to discuss this bill.

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