

February 5, 2018

Senate Committee on Finance and Revenue  
Senator Mark Hass, Chair  
900 Court St. NE  
Salem, OR 97301



Upstream Public Health is a nonprofit that advocates for policy solutions to change the conditions that contribute to poor health. In Oregon, those conditions include an underfunded public health system that doesn't have the resources to adequately serve the entire state. A lack of investment in basic public health programs means preventable illnesses create community-wide health problems, driving up costs and straining our healthcare system.

To have a modern public health system will require an additional investment of around \$100 million a year. That's about the cost of Oregon's tax break for pass-through business income. LRO estimated 94% of the tax cut is going to filers with over \$200,000 in income, with 72% of the tax break going to filers with over \$500,000 in income. There is no evidence this tax cut spurred economic growth or has any other benefit other than letting high-income households pay less in taxes. And with new federal tax cuts on pass-through business income, there is even less of a reason for Oregon to keep this expensive tax break on the books.

We urge the legislature to repeal the tax break on pass-through business income, or at least to limit its cost as SB 1527 would do. Those revenues would be better spent improving the health of Oregonians.

Thank you for your consideration,

Daniel Morris, MS, PhD  
Board Member, Upstream Public Health  
danielmorrisphd@gmail.com