



THE NONPROFIT
ASSOCIATION OF
OREGON

Date: February 25, 2018

To: House Committee on Revenue

Re: The Nonprofit Association of Oregon (NAO) supports the passage of HB 4026-3.

NAO is a registered 501(c)3 nonprofit organization representing over 1,650 Oregon nonprofit organizations and affiliate members which provide assistance to the nonprofit sector. Our members are located throughout the state and come from all areas which serve our communities, including education, health and human services, the arts, and environmental protection. NAO's mission is to strengthen the collective voice, leadership and capacity of Oregon nonprofits to enrich the lives of all Oregonians. More information about our programs and services can be found at www.nonprofitoregon.org.

The public, private, and the nonprofit sector work together throughout Oregon to create and maintain our vibrant civil society. We elevate our communities and we address the unmet needs of our citizens together. The nonprofit sector is well aware of how precious resources are to our communities. Specifically, we recognize that long-time Oregonians of high-net worth who may have moved out of the state are facing disincentives created by the Department of Revenue and court systems to continue their charitable activities in Oregon. Based on recent court finding, law firms and accounting firms have been advising these individuals and families as part of establishing a new permanent residence in another state to cease making charitable contributions and being involved in charitable organizations in Oregon. They are doing this because the Oregon Department of Revenue uses a person's pattern of charitable giving and activity as one factor in determining whether the person is an Oregon resident for purposes of taxation.

The negative impact of this policy means that along with Oregon missing out on tax revenue, we are losing the significant value of charitable giving and volunteering that these former Oregonians would make to the organizations and communities where they maintain deep relationships. HB-4026-3 fixes this problem.

We applaud the work of Chairman Barnhart through his amendments and NAO supports the passage of HB4026-3.

Sincerely,

James White, Executive Director