



SB 330: Making landlords whole is not a job for the tax code

Senate Committee on Housing and Development – Bennett Minton – 3.2.2021

Mr. Chair and members of the committee:

My name is Bennett Minton, on behalf of Tax Fairness Oregon, a network of volunteers who advocate for a rational and equitable tax code.

We are not opposed to state efforts to make landlords, as well as tenants, whole in the wake of the COVID shock. We do oppose using the tax code as the instrument.

As others who are expert in the field note, the legislature has established a means of meeting the need through HB 4401. Whatever the flaws in the system it established, they should be addressed by amendment, not by calling upon another state agency, the Department of Revenue, to administer a second program.

TFO focuses on tax policy. The purpose of the tax system is to raise revenue to fund whatever the legislature deems worthy of its attention. Unfortunately, many see it as another means of funding programs that should be addressed by regular or emergency appropriations, through the Ways and Means Committee. Tax benefits take on a life of their own, require another method of oversight for both overseers and beneficiaries, and turn the tax code into Swiss cheese.

We also think it's questionable whether a five-year tax credit, ostensibly proposed as a means of easing immediate demands on the state, is effective for the intended beneficiaries: the landlords who have expenses unmet because their tenants didn't pay rent in this economic shock. If the legislature finds that landlords' needs should be met, we don't think it's good for anyone that the state wait up to five years to meet them, particularly considering its interference with contracts by telling landlords they can't remove tenants who don't pay rent. It raises the question: For whom is this proposal? The small landlords who have invested in a few properties, or big companies for which a five-year tax credit is just another line on their balance sheets?

We urge you to leave the tax code out of the equation.