

HR 1 Disconnect and Revenue Raising Ideas with Revenue Impact



Blue items are additions to the Protect Oregon Now list

| | <u>2026</u> |
|---|--|
| Prevent generous new tax breaks for corporate investments across the country | \$385M |
| <ul style="list-style-type: none"> • Disconnect from the suite of depreciation-related business tax breaks that reduce Oregon revenue even if the investment is outside of Oregon (Bonus depreciation, Section 179 expensing, Qualified Production Property, and expensing Research & Experimentation) | |
| Make corporations that hide profits overseas pay what they owe | \$ 188M |
| <ul style="list-style-type: none"> • Disconnect from Foreign-Derived Deduction Eligible Income (FDDEI), formerly FDII • Increase Net CFC Tested Income (NCTI), formerly GILTI, inclusion from 20% to 50% | |
| Stop federal tax breaks for wealthy investors | \$ 35M |
| <ul style="list-style-type: none"> • Disconnect from Opportunity Zone capital gains tax breaks • Disconnect from Qualified Small Business Stock (QSBS) exclusion | |
| End other HR 1 tax breaks that are poorly designed or regressive | |
| <ul style="list-style-type: none"> • Keep the State and Local Tax (SALT) deduction capped at \$10,000 • Disconnect from the auto loan interest deduction • Disconnect from the overtime pay exclusion from income • Disconnect from the tip exclusion from income | \$ 35M \$ 32M \$100M \$ 37M |

Ideas beyond HR 1 disconnect:

| | |
|--|---|
| End Oregon's tax breaks for wealthy business owners and investors | |
| <ul style="list-style-type: none"> • Eliminate or deeply reduce Oregon's reduced tax rates for certain pass-through business owners (\$42 moves income cap from \$5m to \$500k) • End like kind exchange tax break for investors in real estate • Data centers no longer eligible for property tax exemptions effective over time for new projects. \$330M cost this year • End IC-Disc • Increase tax enforcement | \$145M/\$ 42M \$ 42M ? \$ 7M \$1:5+ return on investment |

| | |
|--|---|
| Discontinue or cut back on tax breaks for wealthier Oregonians | |
| <ul style="list-style-type: none"> • Disconnect from the mortgage interest deduction for vacation homes • Refine the mortgage interest deduction • Close estate tax loopholes • Measures 66 and 67-type tax rate increases for corporations and the wealthy | \$ 9M Up to \$500M ? ? |