

Governor Brown and Members of the Oregon Legislature,

During this coronavirus (COVID-19) crisis, Oregonians need public services more than ever. The state will need to devote significant resources to respond to this unprecedented public health emergency, all while protecting Oregonians slammed by an economic disaster. In these circumstances, Oregon will need to manage its limited resources wisely. It is imperative that Oregon lawmakers resist calls for broad tax cuts or new tax subsidies — policies that would undermine Oregon's ability to respond to the crisis and accelerate an equitable recovery.

**State resources should prioritize protecting public health and the well-being of Oregonians.**

The state's priorities must be to contain the spread of the coronavirus, shore up our health systems, and protect our most vulnerable neighbors. People across our state already need help to afford rent, food, and child care — and that need will only grow. The need is particularly acute for Oregonians from immigrant communities and communities of color who face significant barriers in accessing healthcare services and financial resources because of immigration status or language barriers.

**Tax cuts for businesses will exacerbate a state fiscal crisis.** The economic downturn triggered by the pandemic threatens a severe budgetary crisis for Oregon. Oregon tax collections fall sharply in recessions, and this recession could turn out to be severe. Falling tax collections put essential public services for us all at risk because, unlike the federal government, Oregon cannot run a deficit. In the present crisis, falling revenue collections also mean Oregon will have fewer resources at hand to address the public health emergency. Creating new tax breaks for businesses or postponing the Corporate Activity Tax, which provides crucial funding for early childhood and K-12 education, will eviscerate Oregon's ability to support the Oregonians in greatest need.

**Tax cuts will do little to help struggling businesses.** While many businesses — perhaps most — are hurting, not all businesses are equally impacted by this pandemic. Some businesses are seeing an increase in sales even while many are forced to lay off workers. Broad tax cuts and new tax breaks risk subsidizing profits for businesses able to ride out or even thrive during the crisis. Struggling businesses, including those that have shut their doors at this time, are not likely to have many receipts on which to assess the Corporate Activities Tax and are unlikely to have significant profits for new income tax credits to offset. Instead, the federal government needs to support Oregon's Main Street businesses so they can continue providing wages and benefits to the working families they employ.

**Reserves were set aside for a rainy day, and it is pouring.** Oregon has prudently saved resources in the Rainy Day Fund and Education Stability Fund since the last recession. While we must first maximize available federal funds dedicated to this emergency, it is likely that Oregon will also need to use those reserves to preserve the health and safety of vulnerable populations and our economy. However, this is a short-term solution and Oregon may end up needing to raise additional revenues to meet the unfolding crisis.

In these difficult times, sound policymaking is essential. We urge you to use Oregon's available resources wisely and resist the call for tax cuts. Instead, take bold action to keep our communities safe and our state financially secure.

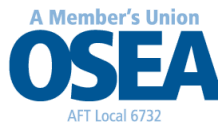
Signed\*,

AARP	Onward Oregon
AAUP Oregon	Oregon Center for Public Policy
AFT-Oregon	Oregon Coalition of Christian Voices
American Association of University Women of Oregon	Oregon Education Association
APANO	Oregon Food Bank
Asian Family Center	Oregon Physicians for Social Responsibility
Association of Oregon Faculties	Oregon Primary Care Association
Children's Institute	Oregon PTA
Coalition of Communities of Color	Oregon School Employees Association
Ecumenical Ministries of Oregon	Oregon State Council for Retired Citizens / United Seniors of Oregon
Family Forward Oregon	Oregon Women's Rights Coalition
Forward Together Action	Our Children Oregon formerly Children First for Oregon
Habitat for Humanity of Oregon	Partners for a Hunger-Free Oregon
Housing Oregon	Planned Parenthood Advocates of Oregon
Human Services Coalition of Oregon	Portland Jobs with Justice
Immigrant Refugee Community Organization	Rural Organizing Project
Latino Network	Tax Fairness Oregon
League of Women Voters of Oregon	United Food & Commercial Workers Local 555 Verde
Main Street Alliance	We Can Do Better
NARAL Pro-Choice Oregon	
Northwest Pilot Project	

*\* Signers are still being accepted. This list reflects organizations that signed on by March 23, 2020. To sign on, or for additional information, please contact Daniel Hauser (dhauser@ocpp.org).*



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