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Senate Democrats Vote to Maintain Tax on Stimulus Checks

SALEM, Ore. – Today Senate Democrats locked up to block Republican legislation to return an estimated \$300 million in taxes back to middle-class families. Because of a quirk in the Oregon tax code, an estimated 870,000 Oregonians paid more in state taxes simply for receiving a stimulus check.

Senator Dick Anderson (R-Lincoln City), who introduced Senate Bill 842 in March to return this money to Oregonians, made a motion on the Senate floor for the measure to be debated and voted on. Senate Democrats voted in lock-step to shoot down the motion.

“I am a former mayor,” Senator Anderson said. “I am used to passing common-sense, bipartisan ideas that fix unintended consequences. It's extremely disappointing that partisanship got in the way of this bill. There is no defensible reason to be taking part of Oregonians’ stimulus checks, especially given Oregon’s current financial position.”

Congress passed three separate pieces of legislation over the last year that sent Oregonians three stimulus checks. The maximum an average family of four paid could have paid in increased state income tax is \$1,000 between all three payments. That is \$1,000 that was supposed to help these families weather the storm in the depths of the pandemic. On the other hand, the State of Oregon has billions of dollars extra in unexpected revenue.

Congressman Peter DeFazio sent Governor Brown, Speaker Kotek, and President Courtney a [letter](#) in February expressing support for exempting stimulus payments from taxes. He said that Congress intended these payments to be tax-free, saying, “ It is unconscionable to ask those working families who have struggled the most during this crisis to bear the weight of the state’s budget shortfall.” At the time of the letter, Oregon had a projected budget shortfall. Oregon now has a billion-dollar surplus.

“Democrats blocking this legislation shows Oregonians exactly where their priorities are,” Senate Republican Leader Fred Girod (R-Lyons) said. “This money belongs in the pockets of Oregonians. It is only right to return it to them. I hope that Democrats will find it in their hearts to move this legislation during the next session.”

More stimulus payments will be sent to Oregonians with children starting July 1. It is unknown if these payments will also be partly diverted to the state.

“Conversations around the new child tax credit payments are the kinds of conversations that this bill was trying to initiate, but because it was blocked in committee, working families will again be put in limbo over how these payments are going to affect their taxes,” Senator Anderson added.

The motion to debate Senate Bill 842 failed by a vote of 11-17, largely along party lines. It will remain in the Senate Finance and Revenue Committee where it will likely die upon sine die, unless Democrats suddenly decide it is a priority to give Oregonians the full benefit of their stimulus check.

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