

HJM 4007

Bill Analysis

February 16, 1999

Brief Description: Requesting Oregon to provide better tax treatment for Washington residents.

Bill Sponsors: Representatives Dunn and B. Chandler.

Brief Summary of Bill

- Requests Oregon to reduce income tax paid by Washington residents to a level commensurate with services received.

Staff: Rick Peterson, 786-7153.

Background:

Oregon imposes a personal income tax to finance state government. Personal income taxes make up about 85 percent of Oregon's state general fund.

Oregon's income tax applies to all the income of residents. Oregon also taxes nonresidents on income from Oregon sources. For the 1995 tax year, 68,000 Washington residents filed Oregon income tax returns. They paid an average of \$1,500 in Oregon personal income tax. Washington residents paid a total of \$102 million in Oregon personal income tax. This represented 3.7 percent of all Oregon personal income taxes.

Summary of Bill:

The Oregon Legislature is asked to reduce income taxes on Washington residents to a level commensurate with the services received by Washington residents.

Appropriation: None.

House of Representatives
Office of Program Research
Finance Committee

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Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which the bill is passed.