

Finance Committee

HJM 4010

Brief Description: *Requesting fair tax treatment of Washington residents working in Oregon.*

Sponsors: *Representatives Dunn, Fromhold, Pennington, Ogden, Hatfield, Mielke, Boldt and Grant.*

Brief Summary of Bill

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

Hearing Date: *3/1/01*

Staff: *Rick Peterson (786-7150).*

Background:

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

Oregon's income tax applies to all the income of residents. Oregon also taxes nonresidents on income from Oregon sources. For the 1998 tax year, Washington residents filed 79,461 Oregon income tax returns. They paid an average of \$1,655 in Oregon personal income tax. Washington residents paid a total of \$130 million in Oregon personal income tax. This represented 3.8 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.*

Fiscal Note: Not Requested.