



*From the Offices of Representatives Nathanson, Senator Broadman*

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## **Oregon Lawmakers Advance Plan to Boost Working Families, Strengthen Local Economy by Closing Tax Loopholes**

**SALEM, Ore.** – The Oregon Legislature has approved a proposal to put working families first, support homegrown businesses, and safeguard nearly \$300 million in essential funding for schools, health care, and public safety. The measure modernizes Oregon’s tax code by closing costly tax loopholes that disproportionately benefit large corporations and high-income earners, while expanding targeted relief for working Oregonians and small businesses.

Representative **Nancy Nathanson** (D-Eugene) said the legislation reflects a commitment to economic stability and opportunity: “Passing this bill means more stability for families and more opportunity for local employers,” **Nathanson** said. “We’re choosing to invest in people who live and work here, while maintaining school funding, keeping communities safe, and making health care accessible.”

In the wake of major federal tax changes that significantly reduced projected state revenues, Oregon faced a substantial budget shortfall. Because the state Constitution requires a balanced budget, lawmakers were compelled to act to stabilize finances while protecting investments in core public services.

The legislation delivers the largest expansion of the state’s Earned Income Tax Credit (EITC) to date. The enhanced credit will lower taxes for more than 200,000 low- and moderate-income Oregonians. Under the new law, the credit increases from 9 percent to 14 percent for individual filers, and from 12 percent to 17 percent for families with a child under age three.

The bill also establishes a new \$25 million Oregon Jobs Tax Credit aimed at businesses that create net new jobs in the state. The credit will be available to employers across industries,

provided they demonstrate measurable job growth in Oregon. Lawmakers said the incentive is structured to reward companies that invest directly in Oregon workers and communities.

“Oregonians deserve a tax system that rewards work and supports local job creation,” said **Senator Anthony Broadman** (D-Bend). “By passing this bill, we’re prioritizing affordability for families, growing small businesses, and ensuring that the biggest corporations pay their fair share. Strong communities are the best recipe for strong economic and population growth.”

To fund these initiatives and preserve \$291 million for essential services, the legislation eliminates several tax preferences that primarily benefit corporations and high-income taxpayers without clear evidence of spurring in-state job growth. These include deductions related to certain auto loan interest, corporate equity sale profits, and accelerated depreciation for select capital investments.

The legislation passed in both the House and the Senate and now heads to the Governor’s desk.

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