



*from the desk of*

## **HOUSE REPUBLICAN LEADER LUCETTA ELMER**

### **For Immediate Release**

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### **House Republican Leader Condemns Passage of Federal Disconnect Bill**

**SALEM, Ore.** — Today, Oregon Democrats passed [SB 1507](#) — eliminating **\$311 million in federal tax breaks** that Democrats are **mischaracterizing as a tax relief package**. This bill takes federal tax cuts promised to Oregonians and cancels them at the state level at a time when Oregonians can least afford it.

#### **Impact on Oregonians**

- Oregonians pay some of the [highest income taxes](#) in the country.
- At 9.9%, [the top rate of Oregon's income tax kicks in at a marginal income of \\$125,000](#) whereas the top rates in California, New Jersey, and Washington, D.C., are on marginal income **above \$1 million**, and New York's top rate doesn't hit until **\$25 million**.
- Individuals in Portland are paying a **13.9% marginal tax rate** on incomes over \$125,000 – which is the [highest rate imposed on that income threshold in the entire country](#).

#### **Impact on Oregon businesses**

- Since 2019, [state business taxes have increased](#) by a staggering **77% to \$3.4 billion**.
- In 2026, Oregon slid to **35<sup>th</sup> in general tax competitiveness** and **49<sup>th</sup> in corporate tax competitiveness**.
- Proposed disconnects in SB 1507 threaten provisions meant to spur economic investment including bonus depreciation, qualified small business stocks, auto loan interest and proposed new tax credits including a jobs tax credit.

“At a time when Oregon has been shedding businesses due to high taxes that cripple our state’s ability to compete, Oregon’s majority party should be taking action to protect businesses, encourage economic investment, and hold onto federal tax breaks that provide relief,” said **House Republican Leader Lucetta Elmer (R-McMinnville)**. “Instead, while [nine other states](#) cut their income taxes last year, Democrats in Oregon voted to further increase our state’s already high tax burden—causing more financial harm to families and businesses.”

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