



Senator Tim Knopp

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Under Public Pressure Democrats Relent on Removing Deductions *Tax Increase Promoters Withdraw Proposals after Pressure from Constituents, Non-Profits*

Salem, OR – After failing to pass real PERS reforms, Democrats are trying to fill a \$275 million dollar gap in their budget by finding ways to increase taxes for the state. Numerous proposals have been considered. Some proposals have been broad, such as [House Bill 2001/Senate Bill 305](#) which would end most itemized tax deductions. Others more specific proposals would eliminate deductions to charitable organizations, senior medical expenses, a cap on deductions, and the mortgage interest deduction. All these removal of deductions would increase taxes on Oregonians and negatively impact charitable donations.

“Oregon is looking at a projected 10 percent increase in revenue currently,” Knopp states. “Still some legislators are saying that's not enough to balance the state's budget. Oregonians haven't seen an increase in their budgets by 10 percent. Why should we look to them for more sacrifices? We wouldn't be in a situation where we need to find new revenue if we actually pass real PERS reform. I have heard from numerous of constituents and non-profits concerned on how they are going to be affected by the multiple proposals. The uncertainty is troubling.”

Yesterday the House Committee on Revenue passed [House Bill 2456](#) out of committee on a partisan vote. This legislation would negatively impact homeowners and real estate professionals around the state by eliminating the home mortgage interest deduction and property tax deductions from their state taxes. “Central Oregon communities had foreclosure rates two to nine times higher than the state as a whole between 2008 and 2011,” a recent report by The Bend Bulletin stated. And recent trends are showing that the real estate market is finally improving.

“To talk about essentially increasing taxes when our economy is in a weakened state is irresponsible” Knopp said. “Moreover, taking away the home mortgage interest deduction at a time when the housing market is just showing signs of recovery is irresponsible. Central Oregon is one of the places hit hardest by the housing bust. This proposal seems like it is an attack on homeownership, and real estate professionals.”

Sen. Knopp was previously in the Legislature from 1999 to 2005 for three terms, including one as Oregon House Majority Leader, where he led the PERS Reforms of 2003 that saved taxpayers billions. He was appointed to the Education and Workforce Development and Health Care and Human Services committees for the 2013 Legislative Session. Tim was elected to his first term in the Oregon State Senate in November 2012. Senate District 27 encompasses the Central Oregon communities of Bend, Redmond, Sunriver, and Tumalo.

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