



## SENATE MAJORITY OFFICE

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### NEWS RELEASE

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#### **Tax code change would better reflect Oregon values**

*SB 212: Removes gambling loss tax deduction; replaces it with tuition deduction*

SALEM – The Oregon Senate voted to prioritize students over those who claim gambling losses on their Oregon taxes.

[Senate Bill 212](#) – which passed by a 16-10 vote on the Senate floor today – alters the state’s tax code to better reflect Oregon’s values. The bill eliminates the wagering loss deduction from the Oregon tax code, disconnecting from the federal code on that item. It also establishes a student tuition deduction in the state tax code.

“Oregonians value education more than protecting gamblers from being able to claim their losses,” said Sen. Mark Hass (D-Beaverton), who carried the bill on the Senate floor. “This is a disconnection from the federal tax code to better reflect Oregon’s values and take ownership over how we prioritize who should be at the front of the line for tax breaks.”

In 2017, Congress maintained a tax deduction for wagering losses, commonly known as the gambling loss deduction. It allows taxpayers to deduct gambling losses to the extent they offset winnings. It applies to professional and recreational gamblers. Oregon automatically connects to this deduction, through the state’s rolling connection to the federal tax code. This bill will disconnect Oregon from that deduction. It still will be available in filers’ federal taxes.

Meanwhile, Congress is allowing the federal deduction on qualified tuition expenses to sunset. This bill will allow Oregon taxpayers to claim a deduction for qualified tuition expenses on their state taxes. Filers with adjusted gross incomes below \$80,000 – or \$160,000, if filing jointly –

would be allowed to deduct up to \$460 in qualified tuition expenses from their state taxes. Filers with gross incomes below \$65,000 – or \$135,000, if filing jointly – would be allowed to deduct up to \$920 in qualified tuition expenses from state taxes. No deduction is currently available to any filer.

“We should be encouraging Oregonians to go to school, and make it more cost effective for students, instead of giving tax breaks to gamblers,” Hass said. “The federal tax code doesn’t reflect our shared priorities and values as a state, and so we need to go our own way on this.”

Senate Bill 212 now goes to the House of Representatives for consideration.

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