SB 658 Reducing Property Taxes for the Landed Wealthy

This bill reduces property taxes for wealthy landowners, and simultaneously reduces State School Funding and local revenue.

When the Revenue Restructuring Tax Force\(^1\) issued its recommendations, high on the list was that the legislature not make changes to the tax code that reduce local revenue. Yet that’s exactly what this bill does.

Please read “You Call This a Farm?,”\(^2\) which will give you an excellent picture of who the winners are with this legislation. The losers, of course, are kids in public schools (about 40% of the tax reduction) and at community colleges (about 4% of the tax reduction) and public safety and human services, Port of Portland, Metro, and Community Colleges, all of which have outstanding needs.

As the article makes clear, the individual land owners have made little or no effort to make their acreage productive. Only $100 of gross income per acre is required. Smaller lots, of 6.5 acres or less must earn a bit more, $650 in gross, in three out of five years. It’s easy to imagine how easily this is gamed.

Instead, calling their view property a business actually allows income tax exemptions as well, and there’s no limit on how much in expenses can be claimed for such items as their pickup, property maintenance equipment, chemicals, or the services of the landscape company that removes berry vines, etc., none of which is home maintenance expense not deductible to homeowners without acreage. These deductions from income taxes further reduce state and federal revenue.

Unfortunately, the relating clause to SB 658 doesn’t allow you to use it to make the appropriate changes to our small farm and forestry exemptions. Updating the income requirements for the exemptions so that those who are able to enjoy large lot properties can’t continue to easily game Oregon’s property tax system is in order. As the article points out, the farm and forest provisions in our law are out of date. As the article suggests, the gross per acre should be increased for inflation to $3,500 for the 6.5 and under acreage lots.

We read the bills and follow the money

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\(^1\) Established by the 2007 legislature.
\(^2\) [http://www.wweek.com/portland/article-24213-you_call_this_a_farm.html](http://www.wweek.com/portland/article-24213-you_call_this_a_farm.html)
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