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To: [LRO](#)
Subject: Testimony on CARES Act tax benefits
Date: Friday, August 7, 2020 10:34:13 AM

Testimony on the CARES Act tax benefits from an Oregon Small Business Owner

The CARES Act business loss tax deductions are one more way large corporations benefit over smaller ones that employ most Oregonians. Please don't give big corporations yet another tax advantage over us.

The CARES Act allows wealthier Oregonians who use business loss tax deductions to reduce tax liability by removing the limit on these deductions.

These tax deductions apply to prior years (2018, 2019) as well. By disconnection from this provision Oregon would retain a limit on business loss tax deductions. The disconnection would save approximately \$89 million in lost revenue. As has been pointed out by federal Joint Committee on Taxation, 95% of the benefit would go taxpayers with incomes greater than \$200,000.

The CARES Act allows wealthier Oregonians to use Net Operating Losses from prior years. NOL's from 2018, 2019, and 2020 under the new provisions can carry back 5 years (2013-) and from tax years 2017 thru 2020

can offset up to 100% of taxable income. If Oregon does not disconnect the lost revenue will be an additional \$91 million.

Because of the CARES Act provisions, the Department of Revenue will be in the strange position of adjusting prior years taxes for wealthy individuals and corporations. At the same time, maximum cash benefits for a TANF family of three has been virtually frozen for many years at \$506. That amount is 30 percent of the Federal Poverty Level for a family of three.

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