

Speaker 1 ([00:00](#)):

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Jeff Newgard ([00:15](#)):

In the last three years we've seen just a phenomenal evolution in the way that the Portland area governments are approaching taxation, but specifically income taxation.

Nikki Dobay ([00:31](#)):

Hello, and welcome to GeTtin' SALTy, a state and local tax policy podcast hosted by Greenberg Traurig. My name is Nikki Dobay, shareholder in the Sacramento, California, and Portland, Oregon offices. I am super excited today to be joined by a great friend and someone who's been on my podcast before, Jeff Newgard. Jeff is principal president, executive director at Peak Policy and tax lobbyist extraordinaire in Oregon, and really one of my favorite people to work with here in Oregon on legislative issues. So Jeff, thank you so much for joining me today, and we're going to get SALTy.

Jeff Newgard ([01:12](#)):

I'm looking forward to it. I'm glad to be here.

Nikki Dobay ([01:15](#)):

So Jeff, you and I have been working together for a number of years. I can't even count really how long, eight, nine years in the SALT space in Oregon. And this is one weird session. Wait, actually, I forgot something. Before we get to that, so hold that thought. You've been on the podcasts I've done for state and local taxes before, but the question I've not gotten to ask you is how did you get into SALT lobbying?

Jeff Newgard ([01:47](#)):

I actually fell into it in part, but also wanted to get into it. When I was going to college I actually did a thesis paper that took a little bit more than a year on how the Northwest Forest Plan in 1994, when the timber industry just fundamentally changed here in Oregon, how that impacted local government revenues and how the tax side of the Northwest Forest Plan really wasn't something that was being publicly discussed at the time. As an Oregonian, lifelong Oregonian, I grew up going into the mountains, into the forest, this always holds a special place in my heart, but I was also just fascinated by seeing how those communities changed over time. Up at in Mount Hood, there's a town called Rhododendron, and it was never thriving like we think of an urban city, but there was a very active school, there was a lot of shops, there were restaurants, and nowadays when you go and drive through that area, there's a lot of vacant buildings.

([02:47](#)):

And so when I was in college, I was just fascinated and wanted to spend time digging deeper into how does public policy go and impact state and local revenue streams. And then later on I ended up getting into politics and I spent quite a bit of time doing general lobbying, but had an opportunity to go and do some of the really nitty-gritty detail work on especially corporate tax policy. And I just fell in love with it. It's something that clicks with me. And in Oregon, we're a small state. We don't have a lot of subject matter experts. And until recently, in the last decade or so, we haven't had somebody that's a lobbyist as a subject matter expert in taxation. And it's a void that I'm happy to fill.

Nikki Dobay ([03:37](#)):

Well, that's super interesting and I think I have an idea for a future podcast because one of the areas I've really been shifting and thinking about is changing the conversation from corporations versus states and locals when it comes to taxation. But let's all come into this understanding that the states and localities need revenue, and then let's work together to try to figure out how to get those very important dollars to those states and localities in the most efficient and effective way. And we're going to be talking about a little bit of that in this podcast, but I always think that's a broader conversation. So the fact that you came into this from that revenue side is really fascinating.

Jeff Newgard ([04:29](#)):

It's something that I certainly enjoy. And politics, as much as we would like to be able to think that policy occurs in a vacuum, it doesn't. What happens on the tax side certainly affects the spending side, but also the policies that are enacted into law, whether it's congress, the state or a local government, have a direct impact on the revenue and the fiscal side of things. And we have to think of the entire ecosystem and not just, what does this one tax policy do, or spending money on this one government program, we have to really think about it through the lens of the entire ecosystem.

Nikki Dobay ([05:07](#)):

I know, and you are one of the ones that always bursts my bubble that the politics matter. So the listeners know I [inaudible 00:05:16] the politics. But okay, so let's come back to Oregon and this 2023 legislative session. And I will say from my perspective, this looks very different from what we're used to facing. And last year was also a little weird, but there was just a lot of money. The state, by and large, still has a lot of money. But what's different, and I would say in the building but the building is kind of an elusive place these days because of construction and the post-COVID environment we live in, but what's different in the building?

Jeff Newgard ([05:54](#)):

Well, so I'll start off with saying here in Oregon we don't have tornadoes, but I'm going to use a Wizard of Oz reference. I don't think we're in Oregon anymore. It's a very different environment this year. We're not seeing the onslaught of tax increases and other controversies that have really just become the normal in Oregon. Every year there's corporate income tax increases, there's a host of proposals to go and decouple from federal law and to go and come up with the next crazy idea. We've grown to expect that out of Oregon, and there's certainly some proposals out there, but none that are really driving the conversation this session. And in fact, I would actually argue that there's a lot of productive and proactive conversations that are driving the conversation, at least in the first half of the session. I think great examples here, repealing the state's throwback law. There's a proposal that's gaining traction to go and actually provide full expensing with the changes that we're seeing at the federal government to actually have a proactive productive decoupling there. There's a state and corporate activity tax relief conversations, economic development tax incentives -

Nikki Dobay ([07:04](#)):

Wait what?

Jeff Newgard ([07:05](#)):

... and then tackling the sticky issue of municipal income taxes, which you and I have spent a lot of time on lately.

Nikki Dobay (07:13):

Yeah, so let's kind of... Again, it has been just a different year. It's been so nice when we see those think of as the perennial crazy ideas to get to calm everybody down and say, "Yeah, there's really nothing to see here. We knew this would be introduced, but we're going to go about our business." And to really see the revenue committees talk about some of these, what, I'll be quiet when I say this, but pro-taxpayer ideas. And I think they're such great ideas because they aren't costing the state a whole lot of revenue. So a lot of the things that you and I have been working on are really just administrative things that will help with those compliance burdens or provide taxpayers with some additional tools in their toolbox. And so you mentioned that we've got this proposal that would look at our local income tax system and maybe make some changes. So let's talk about that, we'll focus there. Why do we need this bill, if I'm being a provocateur.

Jeff Newgard (08:31):

So in the last three years the Portland area really has experienced a sea change in its local tax landscape. Not to say that it wasn't changing before that, but in the last three years, we've seen just a phenomenal evolution in the way that the Portland area governments are approaching taxation, but specifically income taxation. Now Portland and Multnomah County... Now for anybody outside of the Portland area, Multnomah County is the county that includes Portland, but Portland really is the epicenter of Multnomah County. They've imposed business income taxes since the early 1980s, but those taxes were low rates, and frankly, most taxpayers looked at it as a quirk of the local revenue system, even if it was material, it wasn't material enough to really complain about, and there weren't any type of substantial conversations in the legislature about the state's local income tax system.

(09:23):

But then in 2020, right at the beginning of the pandemic, Portland and Multnomah County increased the rates of their business income taxes. About a month later Oregon Metro, which is our tri-county government that spans Portland to its east and western suburbs, and then down to the end of the UGB. If you think about the urban growth boundary, where the urban core and suburbs are, that's Oregon Metro. But Oregon Metro referred two taxes, a personal income tax and a business income tax to voters that passed in the spring. And then in that fall, again, 2020, all within the span of one year, Multnomah County introduced or referred a personal income tax to voters that voters approved.

(10:09):

And so in the span of just that one year, we went from two to five income taxes. Now, it's not just a matter of the sheer number of taxes, but the approach that these taxes take specifically in defining income. In particular, the three business income taxes aren't a personal and corporate income tax like we see at the state and federal level, they're a business income tax that are at the entity level, and that's requiring taxpayers to go through a host of different calculations and in some cases, use concepts in the tax world that they don't have to for state and federal taxes. The last thing that I'll just note on, at least in this part is that when these taxes were pitched by local governments and advocates to voters, the idea was that income taxes were both familiar and simple. Unfortunately, the reality has been nothing of that sort.

Nikki Dobay (11:00):

Well, and thank you for that history...

PART 1 OF 4 ENDS [00:11:04]

Nikki Dobay ([11:03](#)):

Well, and I thank you for that history because I think that's really helpful context. When Portland and Multnomah County adopted their business entity level taxes back in the '80s, you could understand why they were imposed at the entity level. And again, they were kind of just quirks, but necessary for these regions, because as you and I have discussed, not on this podcast, but at length, Oregon doesn't have a statewide sales tax. So in most states, the localities can just piggyback on the sales tax to raise revenue. We don't have that lever here. So Portland had to come up with its own levers. And that made sense until about 2020, 2019, 2020, when all of a sudden now we have personal income taxes. And this is a fun fact maybe for our listeners, but Multnomah County had a personal income tax back in 2005 for a very short period, I don't know how long. But-

Jeff Newgard ([12:05](#)):

I think it was three years.

Nikki Dobay ([12:07](#)):

Okay. But it was only on residents. So it was a much narrower, easier kind of tax to navigate. But I think the word sea change is right on in this context because the Portland tax system looks nothing like it did in 2015. I mean, you talked about all the income taxes. This is on top of our clean energy surcharge, which is a 1% gross receipts tax on large retailers, CEO to average wage ratio surtax. And I know there's a handful of other ones. I think we figured out if you're selling marijuana in Portland, you could be subject up to, what is it, nine different taxes?

Jeff Newgard ([12:55](#)):

Yep, that's correct. And also especially on the Clean Energy Fund gross receipts tax and the CEO surcharge, those are both captured within the city's business income tax. And so you actually have a gross receipts surcharge that is part of an income tax. So just to give listeners an idea of just how... convoluted is a very strong word, but it really fits in this scenario, these taxes are.

([13:23](#)):

And on top of that, it's one thing for taxpayers to have to navigate obviously the federal income tax and the state income tax, but right now, especially if you're a smaller pass through, actually, a pass through really of any size, in the city of Portland, you could actually be in an ecosystem where you're having to navigate seven different income taxes between city, county, regional, state, federal, governments. Each of them use different rules and procedures for calculating your income. I've heard from some taxpayers that they actually pay more to the accountants to figure out what they owe these local governments than what they're actually paying these local governments. And just from a tax system perspective, to me, that makes no sense, especially when we have state and federal tax system that have a long record of law and practice and implementation that you can be a high tax community. Not that I'm advocating for that, but you can be a high tax community, but that doesn't have to mean that your tax system is also unduly burdensome.

Nikki Dobay ([14:35](#)):

Yeah, I couldn't agree more. I will say, as a very seasoned state and local tax professional, just navigating my own taxes as a Portland resident is challenging. I mean, I've had multiple conversations with my preparer because I threw my hands up, but then I realized there was a big learning curve for them too. So I will say from personal experience and from helping clients in this space, it is a mess.

Jeff Newgard ([15:07](#)):

Well-

Nikki Dobay ([15:08](#)):

And I'm not trying to be as pejorative as that sounds, but it's not pretty well.

Jeff Newgard ([15:12](#)):

Well, and I think that there's also a parallel conversation too that should be recognized. With the US census data that just recently came out. Over the last two years, there have been 20,000 people, and this is a net migration number, 20,000 people that have left Multnomah County. And at the same time, Clark County, Vancouver, just a couple miles to the north, has seen a huge inflow of especially higher income households.

([15:39](#)):

Well, okay, so it's one thing for Multnomah County to be losing that population, but there's also a statewide interest in this. Oregon doesn't have a sales tax. Oregon has property tax limitations. The income tax is what drives Oregon's revenues. Oregon taxes, as a percentage of the state income, Oregon taxes more income than any other state in its tax base. Our second highest rate kicks in at only \$9,450. And we, as a state, need those high income earners to be able to go and generate the revenues to go and finance essential public services and programs. If you have a tax system that is so burdensome that in part, and I can't go and say that the tax system itself and exclusively the tax system is driving people out of the Portland area, but it is a component, but when you're have a community that has a lot of high income earners and those high income earners are leaving for somewhere else, that directly impacts state revenues.

Nikki Dobay ([16:43](#)):

I think that, again, all spot on. I think you've identified a really good, practical reason why the state legislators should care, and I'll just kind of glom on at this point. Another reason is there could be legal challenges to Oregon's overall state and local tax system as the Portland area taxes become overly burdensome or so burdensome that they trigger issues that raise constitutional challenges. So I think that is another thing for state legislators to have in the back of their minds, because this isn't just an issue for the locals. The state is going to have to come in and be a party to a lawsuit that says, "This system is too burdensome."

([17:40](#)):

And post Wayfair, we're just beginning to see these challenges. We've seen challenges in Colorado and Louisiana to their systems. And somebody could sit back and say, "Well, Oregon's system is really different. Those are crazy home rule jurisdictions with sales taxes." But I think we're tipping into that territory with the number of taxes, the differences between the state and local bases, the local and local bases, and then just dealing with the different administrative agencies. So we're edging closer and closer and may even be there. I mean, if we continue down this road, it's going to be ripe for a challenge very soon.

Jeff Newgard ([18:33](#)):

Well, and another thing that I would add to that, just in the sense of some local flavor and local politics, Oregon has had broad home rule authority for local jurisdictions for, I believe, six or seven decades now at this point. I believe it was in 1950s is when that conversation really started after World War II. And in

the legislative politics, there is this sense over the years that the value of local control and local governments being incubators of democracy and figuring out policies before they start reaching up to higher levels of government, and there is value there.

(19:09):

But one thing that I'm kind of concerned about in part, but also starting to see breakthrough in the legislature is that this realization that the local governments, with or without home rule, are still creatures of the state. And when it comes to applying whether it's the US commerce clause or the due process clause, or anything else that can apply in the context of tax, at the end of the day, the local governments are political subdivisions. My terminology is creatures of the state. And the state has a risk where if a taxpayer came in with a constitutional challenge for one or all of these taxes, that the state could get pulled into that litigation, not because the state is directly creating these programs, but that the state has a responsibility to be stewards of the tax system. And that includes the local tax system as well as the taxes that the state itself levies.

Nikki Dobay (20:12):

Yes. Again, spot on because there can be no local taxes unless the state has authorized them in some way, shape, or form, whether that's through a constitutional provisions or providing statutory authority. But home rule means something. So if you don't have home rule authority, which generally comes from the state's constitution, then there has to be some other lever that the state has allowed.

(20:44):

All right. So the sky's falling in Portland. I mean, it's literally falling with rain right now, but it's also falling with taxes. Maybe we should do some little diddy to it's raining men in Portland to like it's raining taxes.

Jeff Newgard (20:57):

Raining taxes.

Nikki Dobay (20:58):

Yeah. All right. We'll work on that. That'll be our side gig.

(21:01):

So how do we fix this? Because, again, I always like to come to the table with the solution, and I think you do too. So what's going on down in Salem to address this? Because I think this has gotten a lot of air time that I wasn't necessarily expecting. I know you and I have been dreaming about this for a long time, but how did these conversations kind of come to be, and then where are we at with them?

Jeff Newgard (21:32):

So for the session, there was a bill that was filed in our terminology pre-session. It's part of the initial stack of bills that came out. It's House Bill 2548. It was introduced by Representative Werner Reschke from the Klamath Falls area, so Southern Oregon. And what the introduced version of the bill does is it just simply says that if a political subdivision of the state imposes an income tax, that it needs to follow the same set of rules and definitions that the state income tax require.

PART 2 OF 4 ENDS [00:22:04]

Jeff Newgard (22:03):

... to follow the same set of rules and definitions that the state income tax requires for defining income.

[\(22:05\)](#):

Now, again, at the end of the day, certainly there are concerns from some taxpayers that there's too many taxes in Portland, and those concerns are warranted.

[\(22:16\)](#):

But that's not what this bill is about. This bill is about going and saying, "Okay, how can we go in and actually provide uniformity between the taxes?" Good luck to a taxpayer that's going to go and try that constitutional challenge, simply because there's too many taxes. Maybe they can pull it off, but I don't see-

Nikki Dobay [\(22:34\)](#):

I'm not taking that case on a contingency fee basis.

Jeff Newgard [\(22:38\)](#):

But no, the idea here is really to just go and unify the underpinnings of the tax system. So then that way maybe you have to go and plug different numbers in based on whether something's within the jurisdiction, or not in the jurisdiction on apportionment, maybe you're not able to use your state apportionment numbers, but have the same mainframe, the same set of rules governing the state and local income taxes.

[\(23:05\)](#):

Now, with the introduced version of the bill, there was a drafting error that actually grandfathered the Portland area taxes. I want to be clear, the intent with this bill was to have a conversation about the Portland area taxes.

[\(23:17\)](#):

Now, since the beginning of session, we have now had a public hearing, which is always the first step for a bill in the House Revenue Committee, and then three additional informational hearings. To date, the House Revenue Committee has scheduled more meetings on this issue than any other issue this session, and it is something that Chair Nancy Nathanson from Eugene, a Democrat, has really wanted the committee to put a lot of thought into, to make sure that the policy gets done right.

[\(23:47\)](#):

We've had a couple of amendments, not really materially changing the bill, just some of the kind of technical language in the bill.

[\(23:56\)](#):

Part of the objective with the bill from advocates, including myself, was not to go and materially change local revenues. It's one thing if there's incidental revenues or something that's up or down just a little bit. But the goal here wasn't to go and materially change local revenues. To this day, I don't think that the bill truly materially changes local revenues.

[\(24:20\)](#):

But we have found a couple of scenarios where, for example, Multnomah County could end up generating more money because of differences between its rates between pass-through businesses, metro, because of a threshold that they have defined in the tax and a adjustment to try to offset some pass-through income between the business income and the personal income taxes. There could be a slight decrease.

[\(24:49\)](#):

At the end of the day, I don't think that those changes are material, but our commitment to the legislature was that we weren't trying to materially change local revenues or eliminate taxing authority. And so, right now, the bill's actually going into a work group process, where two legislators... One is the vice chair and the other one is Representative Daniel Wynn from Lake Oswego, a Democrat. So a Republican and a Democrat leading a work group process to go and figure out what the right policy is. And maybe the right policy is having some of those revenue fluctuations, or maybe it's looking to see if you can find a different approach to arrive at this, a similar outcome.

[\(25:32\)](#):

I don't know what those answers are yet, but I do want to emphasize it's one thing to get a bill passed and signed into law. Since we're talking about so many different taxes and a lot of money that taxpayers are paying for these taxes, it's mission-critical that we get the policy right.

Nikki Dobay [\(25:52\)](#):

I think this has been a really, again, I would put this in the camp of super productive conversations this session. And it's been very, I will say I've been impressed, surprised and impressed at some of the shifts in attitude towards this bill.

[\(26:12\)](#):

Because I think what we knew going into the session was that there would be opposition from the locals, just because anytime there's anything that might impede the localities' authority, there's a knee-jerk reaction that it's bad, and we got that. But I think we were able to deflect all of those arguments with this message, which is not just lip service, we really do mean it. We're not trying to take revenue away from these localities. We're just, again, trying to get them the dollars they need in a way that is efficient for businesses and individuals to comply with.

[\(26:58\)](#):

And again, I think there's going to be some challenges to get the locals to see that it's a different world than it was in the '80s when they put in these taxes that applied at the entity level. The world has just fundamentally changed and we've got to figure out what the right policy is to get them their money and get to a place where businesses can comply, because it can't be this complicated. It shouldn't be this complicated.

Jeff Newgard [\(27:30\)](#):

Well, and I would also just add that it's not just about making it easier for individuals and businesses, it's also about making it easier for the local governments. If you have a system that is much more aligned with the state, where they're piggybacking off of the rules, their audits become so much easier because they're not having to go and push the reset button and start over. It could very well end up saving the local government's money and it could also end up raising them more revenue in certain situations. And so, this is not a "We're going after the local governments."

Nikki Dobay [\(28:05\)](#):

Exactly.

Jeff Newgard [\(28:06\)](#):

It's trying to go and just make life a little bit easier for taxpayers and also help the local governments in the process.

Nikki Dobay ([28:15](#)):

Are we going to see any final resolution on this issue in this session? And maybe you're reading tea leaves here, so we're going to go into this work group process, is that this session? Is that carried through the interim?

Jeff Newgard ([28:32](#)):

I'm expecting the work group process to start as we head into the summer. So it could start in May and June, when the session's still going on. At this point, I'm not expecting legislation to end up on the governor's desk for the 2023 session, but the goal of this work group is to go and find the right policy, that the legislature can go in address in its 2024 session, to have a policy that's in effect for the 2025 tax year. And so, we have time to work to be able to get there. And again, I think that the priority needs to be making sure, one, that we get some administrative and compliance relief, but also that we do it in a way where it works.

Nikki Dobay ([29:14](#)):

Well, Jeff, thank you so much for your work on this issue. OBI has also been engaged, that's who I've been through. So it's been really exciting to see the committee so committed to this issue and really wanting to get to a resolution. And I really just feel like everybody's understanding the policy and understanding the goals. And I don't think that could have happened but for your work on this bill, so wonderful work.

Jeff Newgard ([29:48](#)):

Thank you.

Nikki Dobay ([29:49](#)):

All right. So anything else to have on our radar for Oregon this session? And if something else explodes, we'll be back in front of the mics, but at this point?

Jeff Newgard ([30:02](#)):

The biggest conversation going on in Oregon right now, well, I would love to say that it's this local tax issue. Local tax issue has certainly taken more of the house revenue committee's time than anything else, but Oregon is also having a conversation about restoring and enhancing its research and development tax credit.

([30:19](#)):

Oregon had a tax credit up until the 2018 tax year, but it was allowed to expired because of what I'll just phrase as the pre-corporate activity tax conversation, and some of the politics that were driving behind that. But right now with the Federal CHIPS Act money and the semiconductor companies looking at doing large investments, and Oregon's largest industry cluster is the semiconductor industry, there's some real conversations about restoring the R&D credit.

([30:51](#)):

Now, where things get tricky is that Oregon's also looking at a difficult budget outlook moving forward for the next two years, but also the next four years. And so, legislators are very reluctant to go and

spend money, and that's spending money on new programs and social services, but also through the tax code. And so, it's going to be interesting to see where the legislature ends up on an R&D tax credit, just given some of political dynamics surrounding the budget. But there is bipartisan interest in restoring an R&D credit and also restoring an R&D credit as a general credit. But we'll see if the politics can actually get there.

Nikki Dobay (31:35):

All right. So maybe we'll be back talking about R&D, so-

Jeff Newgard (31:39):

Sounds like a plan.

Nikki Dobay (31:40):

All right. We'll see.

(31:42):

All right, Jeff, this is the time now when we get into a couple fun things. Favorite SALT issue of the week, and I have not prepared for this one this week. I'm trying to rack my brain. Oh, actually, I do know what I want to say. So this can be funny, just interesting. So I will start. There was the Maryland Digital Advertising Tax. Everybody knows about this.

Jeff Newgard (32:06):

Yep.

Nikki Dobay (32:07):

There's litigation going on in the state case. A few weeks back, several different organizations filed amicus briefs, and one brief was filed by a group calling themselves the law professors. And one of their arguments they had made, they say it doesn't violate ITFA, it's constitutional, blah, blah, blah. But one of the areas they really focused on was that digital advertising was just fundamentally different than all other forms of advertising. And I was super pleased this week to see those litigating the case filed a response to the tax professor's brief, and where they just came out and shut those guys down. And it was beautiful. And my favorite part of the brief was when they said, "You are tax professors..."

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Nikki Dobay (33:02):

... That you are tax professors, what gives you any clout to opine on digital advertising and how it's different than...? You're not marketing professors, you're not in advertising. So it was a great brief. I really commend the folks in that suit. And it's always good to see... Sometimes you just have to be the bigger person and not respond. And I'm not saying they weren't the bigger person here, but it was a great brief. So that was my favorite thing in state and local tax this week.

Jeff Newgard (33:42):

For some of those quirkier things, I have to wonder, April 1st was 20 days ago, maybe that's when things were started.

Nikki Dobay ([33:50](#)):

That's right.

Jeff Newgard ([33:52](#)):

So you want to hear my favorite salty issue of the week?

Nikki Dobay ([33:54](#)):

Yeah.

Jeff Newgard ([33:54](#)):

And I'm going to cheat a little bit.

Nikki Dobay ([33:57](#)):

Okay.

Jeff Newgard ([33:57](#)):

It's actually not a week, it's probably two weeks or so at this point. But one thing that's been really interesting to me so far is the state of Washington's new capital gains excise tax. And I know there's a lot of questions that are going to come up about this, but one thing that's just been fascinating to me for Oregon purposes is how or if there's going to be resident credits under the Washington State capital gains excise tax. There's language in the Washington State Supreme Court's ruling where they go and talk about, "Oh, California's capital gains tax is different because it's an income tax. This is an excise tax." One thing that worries me for taxpayers is that Oregon and other states could also go and say, "Well, Washington's capital gains tax is an excise tax. It's not an income tax. We're not going to go and allow you to claim resident credits on the taxes that you're paying to Washington."

([34:58](#)):

And you end up with a really bad wind situation for double taxation. And I don't see this as something that's going to get cleaned up anytime soon. I think that it's too nuanced for legislators to go and take over right now. And the tax is also just so new that we probably needed to learn how is Washington going to treat those situations, how are the resident states going to treat those situations, and it's probably something that needs to be dealt with through the courts. I'm in part a gladiator and then also in part a spectator on a lot of these tax issues. And that's one that's really stood out to me just the last couple of weeks and trying to think through those dynamics. And I'm tired of my head hurting.

Nikki Dobay ([35:45](#)):

Yeah, I couldn't agree more though. That is just a big old mess that is going to take a... It's going to get worse before it gets better because-

Jeff Newgard ([35:57](#)):

Does it get better?

Nikki Dobay ([36:00](#)):

I think it has to. I'm always the optimist, but yeah, there's a lot of layers to... That's an onion that we're going to be peeling back the layers of that. Yeah, I suspect I'll probably be part of the process of peeling that back in some way, shape, or form but makes me a little nervous too.

Jeff Newgard ([36:22](#)):

Please hurry, because I saw a bill that got filed about allowing local capital gains excise taxes, and so please hurry.

Nikki Dobay ([36:33](#)):

All right. Yet another podcast. All right. And then before I let you go, Jeff, the surprise non-tax question, lifelong Oregonian, we are in our wonderful Pacific Northwest spring, which means absolutely nothing because it's cold and wet. But I am looking out my window and I'm seeing green on the trees. The trees are starting to get buds and we're going to have leaves. What's your favorite thing? And we're not supposed to talk about this publicly, but Oregon Summers are beautiful. They are just incredible. That's why we all live here.

Jeff Newgard ([37:11](#)):

Nikki, you're going to have to cut this.

Nikki Dobay ([37:12](#)):

I know. All right. We're doing some economic development here.

Jeff Newgard ([37:17](#)):

Yep.

Nikki Dobay ([37:17](#)):

What's your favorite thing about Oregon Summers, Portland Summers? And for me, I feel like it's everything. It is literally why we live here, because the weather's perfect, you want to be outside all the time, you want to eat outside, you want to have drinks outside, you want to take your dogs outside. There's just nothing more pleasant. And I've only been here 15, 20 years, but as a lifelong Oregonian, you probably have one thing. So what's your favorite thing?

Jeff Newgard ([37:56](#)):

My one thing, and it's actually a kind of consortium of different things, but they all fall together. And here's my pitch on why those 20,000 people that left Noma County and Portland really should come back because they know this too. When you live in the Portland area during the summertime, you're an hour away from the coast. You have the Willamette River that flows directly through your community. The mountain is an hour away, the desert is an hour and a half away. You can go skiing in Oregon in June, July, and August. There's very few other places in the world where during summertime, during those months, you can actually go and put your planks on and go down the mountain and just shred. Oregon is just an incredibly unique place. Even if the summer months are only two to three months, you get your money's worth.

Nikki Dobay ([38:54](#)):

Yeah, I guess in this public service announcement portion of our podcast, please know that summer does not start until after July 4th. In case you just got really excited about Oregon in the summer and you want to come visit, just wait till July because June is iffy.

Jeff Newgard ([39:14](#)):

And summer can also be cut short because of wildfire season too.

Nikki Dobay ([39:17](#)):

All right.

Jeff Newgard ([39:19](#)):

Just to not have any illusions of grandeur here.

Nikki Dobay ([39:22](#)):

Yes. Well, Jeff, thank you so much for a conversation about all things Oregon. It has been a pleasure as always. And thank you to the listeners for listening to this episode of Getting SALTy. There will be links to Jeff and my contact information in the show notes, as well as an article that Jeff and I recently wrote in state tax notes on this issue, talking about all the Portland taxes and this legislative proposal. So thank you so much for listening, and I'll be with you again soon.

PART 4 OF 4 ENDS [00:40:08]