

Larry's Tax Law

## **A Brief Update on the Continued Life of the Oregon SALT Workaround**

By Larry Brant on 2.27.26 | Posted in Legislation, State and Local Tax, Tax Laws

Two of our readers alerted me yesterday afternoon that Oregon lawmakers are attempting to keep the Oregon SALT workaround alive and well.

[Senate Bill 1510](#) ("SB 1510") was introduced in the Oregon Senate on February 24 (hours after I put my pencil down from writing the last blog article and awaiting its publication). The bill has been passed by the Senate and is currently waiting to be voted on by members of the House of Representatives.

Unlike Senate Bill 211 ("SB 211"), which was introduced in the Oregon legislature during the 2025 session, SB 1510 is not a standalone bill solely focusing on extending the life of the Oregon SALT workaround. Rather, a provision to extend the SALT workaround is sandwiched between three other provisions, namely a provision extending a property tax exemption for cargo containers, the repeal of a tribal tax exemption and a requirement that the board of tax practitioners register enrolled agents.

SB 1510, with respect to the SALT workaround, is interesting. First, the bill only extends the workaround through 2027. I am not sure why the legislature would not extend it indefinitely (i. e., for as long as the federal SALT cap is in place). Second, SB 1510 (like SB 211) contains a provision that allows eligible pass-through entities to apply overpayments from one tax year to the subsequent tax year. That is a welcome addition to the SALT workaround.

A few (hopefully minor) hurdles could impact the passage of SB 1510. First, as mentioned already, the bill contains three other provisions, leaving the legislation open for a debate that very well could be totally unrelated to the workaround. Second, the 2026 Oregon legislative session is a short session, and lawmakers have been presented with a large number of important bills, including a proposal to update the Oregon estate tax (Senate Bill 1511) and the transportation bill (Senate Bill 1599).

Hopefully, the other provisions of SB 1510 and the large volume of proposed legislation this short session will not create obstacles for getting the workaround extension approved by lawmakers.

I will keep a keen eye on SB 1510 and report back to you soon.

**Tags:** federal income tax, OBBBA, Oregon, pass-through entity, SALT cap, SB 1510, Senate Bill 1510 (SB 1510), state and local tax (SALT), Tax Cuts and Jobs Act, Taxpayer, The One Big Beautiful Bill Act