

Red winged blackbirds...



PHOTO BY JERRY BALDOCK

The birds are active in Sisters meadows.

Business tax plan faces opposition from GOP

By Kristena Hansen
Associated Press

SALEM (AP) — Oregon lawmakers rolled out a broad plan to overhaul the state’s corporate tax system Tuesday that could net anywhere between \$288 million and \$3 billion in extra funds for the cash-strapped state over the next two years.

The tax plan would replace Oregon’s corporate income tax — among the nation’s lowest — with a tax on businesses’ gross receipts, or revenues from business-to-business transactions for things like equipment and materials, beginning in 2018. It’s a “mellow version,” as one Democrat described the proposal, of the voter-rejected Measure 97 tax hike initiative, which would have raised \$6 billion for the next two years.

The highest estimate of what the plan would raise, about \$3 billion, is roughly equal to what the state says it needs to keep operations running at current levels through the next two years. It would also help the state address a \$1.6 billion deficit that could otherwise force cuts to various public programs and services, kick thousands off Medicaid health plans and scale back public-sector employment and benefits.

But those estimates don’t account for other proposals — including tax hikes on tobacco products, moving public-employee health plans into coordinated care organizations and statewide hiring freezes — that are also being eyed for the 2017-19 budget. The potential savings from spending cuts revealed last month are still unclear.

Under the revenue-making plan, low-income households could also see their tax burdens trimmed through things like personal income tax cuts or increases to the standard

deduction. Various exemptions for certain business dealings, such as donations to nonprofits and transactions with government or among “closely related business entities,” were also included to help soften the impact of higher consumer prices, which state revenue officials say would be inevitable.

Republicans in both chambers, however, appeared ready to double-down on their opposition. “No gross receipts tax, period. Oregonians slammed the doors shut on Measure 97 and they want to have a conversation not on a hidden sales tax, but on reining in out-of-control government spending,” Senate Republican Leader Ted Ferrioli said in a statement.

The minority party’s support for the proposal is needed because without it, the Legislature won’t have the three-fifths, or 60 percent, approval that any tax increase needs. One way around that requirement, however, is to instead send the proposal to voters for final approval in a special election this fall. That would require only a simple majority.

Democratic Sen. Mark Hass, who has helped lead local tax reform efforts for almost two years, said he hopes this latest proposal combined with other spending cuts could still make for a convincing package.

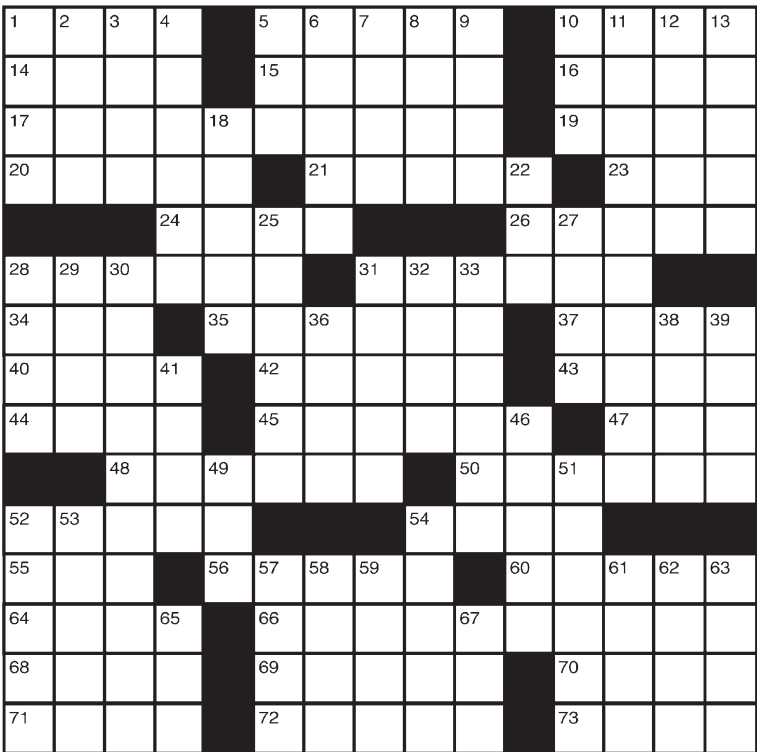
The range of potential tax rates, 0.25 percent to 1 percent, is more comparable to other states and smaller than the 2.5 percent outlined in the labor union-backed Measure 97. The lower gross receipts tax rates would also be applied broadly, affecting more than 18,000 companies with gross revenues over \$1 million versus the 1,000 or so wealthiest companies with over \$25 million in gross revenues that were targeted in the ballot measure.

The Nugget Newspaper Crossword

By Jacqueline E. Mathews, Tribune News Service

- ACROSS**
- 1 Has ___ on; claims in advance
 - 5 Higher than
 - 10 ___ for; chooses
 - 14 Drive out
 - 15 Blend together again
 - 16 Org. for seniors
 - 17 Good-looking
 - 19 The Bee Gees or Nirvana
 - 20 Ozone & argon
 - 21 Hidden supply
 - 23 Plop preceder
 - 24 Catch sight of
 - 26 Ascend
 - 28 Cheese shredder
 - 31 Benumb
 - 34 ___ away; fled
 - 35 Cavalry swords
 - 37 ___ Benedict; fancy breakfast
 - 40 Plays a role
 - 42 Approaches
 - 43 Defect
 - 44 Slangy affirmative
 - 45 Wichita’s state
 - 47 Ending for pay or Motor
 - 48 Visitors
 - 50 Part of the foot
 - 52 Close friend
 - 54 Hopping insect
 - 55 Rooster’s mate
 - 56 Bird of prey
 - 60 Make laugh
 - 64 Enthusiastic
 - 66 Seoul’s nation
 - 68 Trick
 - 69 Actress Dickinson
 - 70 Eras
 - 71 New York team
 - 72 Requirements
 - 73 Hornet’s home

- DOWN**
- 1 ___ one’s feet; move slowly
 - 2 Tiny bit
 - 3 No ifs, ands or
 - 4 Wall or Easy
 - 5 St. Joan of ___



Created by Jacqueline E. Mathews

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