## Oregon Student Lobby backing sales tax proposal

By Lisa Kneefel Emerald Associate Editor

The Oregon Student Lobby on Wednesday endorsed a sales tax proposal package that was introduced earlier this year by Rep. Tony Van Vliet, R-Corvallis.

At a news conference in the Capitol Press Room, OSL representatives explained the organization's decision to support House Joint Resolution 4 and related House Bills 2393 and 2394.

Brad Fields, Oregon State University Student Body President and OSL Board Chairman, said Van Vliet's plan seems most politically viable.

"After reviewing plans and analyzing polls regarding a sales tax and tax reform we decided to support (House Joint Resolution) 4," Fields said. "We feel it is one of the better tax plans structurally, and it might have a chance of passing."

Brian Clem, state affairs task force director for ASUO and OSL board member, said OSL's members believed singling out a tax plan to support would be much more effective than demanding tax reform in general

"We felt that it was important to get a

specific tax plan that's tangible so that we can get some accountability in the Legislature," Clem said.

If passed by the Oregon Legislature, House Joint Resolution 4 would impose a privilege tax on sales or use of tangible personal property beginning Jan. 1, 1994. No percentage for the tax has been pro-

No percentage for the tax has been proposed. If the tax is adopted, the determined rate would be written into the state Constitution where it could be changed only by voters.

Revenue generated by the sales tax would replace property taxes for public schools and community colleges lost to 1990's Measure 5. It would also provide funds to match federal dollars for the Oregon Health Plan.

Food, housing, some utilities, prescription medications, real property and intangibles (such as services) would be exempt from the tax. Refunds would be available for sales tax paid by lower income individuals.

State personal income tax rates would be reduced with adoption of the sales tax, and local sales taxes would be prohibited.

Related House Bill 2393 would reduce the state personal income tax to distribute the tax burden fairly and House Bill 2394 would provide the implementing legislation for establishing the sales tax.

Because it would amend the Oregon Constitution, the privilege tax would be referred to voters at the general election in 1996. If not approved by voters, the tax would be discontinued.

According to an explanation of the tax package issued by Van Vliet's office, state personal income tax rates would be reduced by 11 percent or more with implementation of the plan.

The decision to support Van Vliet's plan was based on results from a survey conducted jointly by the Nelson Report. TH Research and Moore Information, Clem

The survey found that 45 percent of Oregon registered voters would support a sales tax dedicated to funding education if accompanied by a reduction in state personal income taxes and immediate implementation of property tax relief. The sales tax rate would have to fall between 5 percent and 3.5 percent, and a "sunset clause" providing for a re-vote would have to be included.

Van Vliet's package includes all of those

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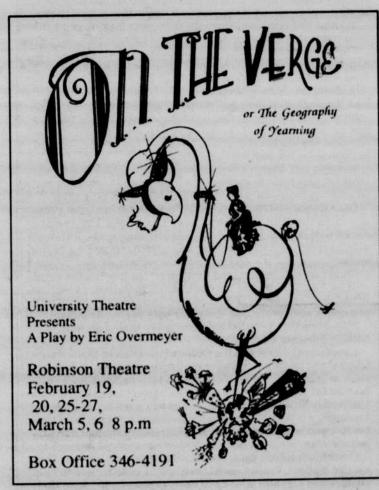
Brad Fields, OSL board chairman

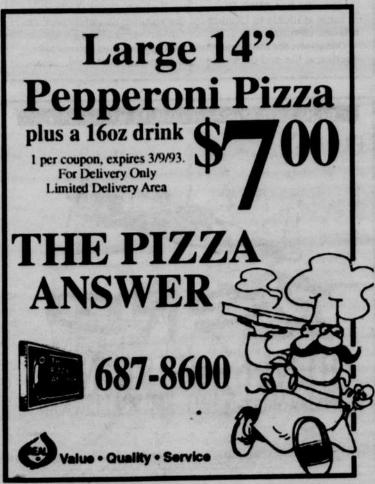
elements, Clem said, making it more viable for support.

Clem said OSL, which is a coalition of state college and university student leaders that lobbies for higher education issues, has been reluctant to endorse past sales tax proposals because they were regressive.

"Van Vliet's (plan) eliminates some of the regressiveness because it reduces the income tax code by 1 percent," Clem said.

House Joint Resolution 4 was introduced Jan. 21 and was subsequently referred to the House Revenue and School Finance Committee.







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