

SALES TAX

Vote
Nov. 9

Q. How much is the sales tax supposed to be?

A. Measure 1 would initiate a 5 percent sales tax on goods. This rate can only be raised by a statewide vote.



Victoria Bryce
Eugene resident

Q. Is the money going to be used toward schools as they profess it will?

A. According to the Voter's Pamphlet, public school and community college revenues will increase by \$953 million per fiscal year with a sales tax. Public school expenses will increase by \$4 million each year because of taxes on purchases.

Q. How does the sales tax benefit both stores and consumers?

A. There is no direct benefit to stores or consumers. Consumers and businesses will have to pay 5 percent on most goods, lowering the buying power of the dollar. According to the *Oregonian*, businesses will pay a reduced 3 percent on production machinery and equipment in manufacturing, farming and mining.



David Vanderlip
Eugene resident

Q. Is all of the sales tax money going toward colleges or public schools?

A. According to the Voter's Pamphlet, sales tax money is earmarked specifically for public schools and community colleges. Universities will only benefit from the tax indirectly through government savings on public schools.



Molly McClelland
senior, marketing

"I think it's insane. Since Tom McCall, legislatures in Oregon have been trying to get a sales tax passed unsuccessfully. I think it's going to be the biggest blow to the economy."



Carl Cole
Vancouver, Wash.

"I just think that the sales tax is really important. I hope everyone votes yes. Without a sales tax, high schools like Churchill and other small schools will close down."



Tara O'Hanley,
junior at South Eugene High School

Legislator argues against sales tax

SALEM (AP) — Cutting state spending and improving efficiency, not a sales tax, are the answers to the school funding problems, according to a legislator who opposes the tax.

Rep. Bob Tiernan's debate opponent, state school Superintendent Norma Paulus, said Friday she supports a sales tax to stabilize school finance and not to increase spending.

The two faced off before the Salem City Club over the 5 percent sales tax measure that's up for a statewide vote Nov. 9.

Tiernan, a Lake Oswego Republican, hammered away at government outlays and said more cutting and careful spending are needed.

Tiernan said he favors more state funds for schools. He contended the money is available in the current budget because lawmakers did not cut as much as they should have.

"Make your government force itself to be more efficient" by defeating the sales tax, he said.

Passing the sales tax would provide about \$1 billion a year for schools. But Tiernan said that would not prevent lawmakers from then trimming other state aid to schools to provide for different uses.

Bureaucrats and lobbyists "are licking their chops" at the

prospect the tax will pass and free up other state funds, Tiernan said.

Paulus said many efforts are being made to produce a leaner education system.

"We are absolutely committed to giving you a better product," she said.

But she said the state is "off-kilter" because of uncertain school budgets and the effects of economic problems on children.

"We will not be able to get ourselves back on track until we solve the school funding problem," she said.

Tiernan acknowledged schools face difficulties, but said a sales tax is not the cure.

"Just because we have a problem doesn't mean we need to shovel money at it," he said.

Paulus said sales tax foes who claim it would be a record tax increase fail to say that it also would give the biggest tax cut ever in Oregon by slashing property taxes by \$635 million in 1996-97.

Homeowners no longer would pay property taxes for school operations under the measure.

Community opinions about sales tax issue

By Rebecca Merritt
Oregon Daily Emerald

The assignment seemed simple enough. Armed with a tape recorder, notebook and pen, I set out with our photo editor to roam popular Eugene hang-outs, talking with a few locals along the way. Our mission: to find out what the Eugene community thinks about Ballot Measure 1, the proposed sales tax Oregonians will vote on Nov. 9. And, to ask if voters had any questions the *Emerald* could help answer in our week-long sales tax series.

After talking to 25 Eugene residents, students, businessmen and tourists, I realized questions about the sales tax can't be answered in three letters or less. From the "What is it?" to the "Let's have a dream date with Bob Packwood contest instead," response, it became obvious the sales tax issue isn't as simple as people would like to think.

Our afternoon started with a drive to Valley River Center. However, *Emerald* reporting is against mall rules, so we ended up at the corner of Fifth Street Market. A lack of agreeable human resources downtown forced us to finish our interviews near the EMU and the University Bookstore.

By the end of the afternoon, I was able to divide the diverse group of interviewees — ranging from high school juniors to retirement home residents — into five categories: Those who don't want a sales tax, ever. Those who wouldn't mind a sales tax as long as they could be guaranteed the money goes strictly to education. Those who think it's about time Oregon joined the rest of the nation by shaking off its sales tax phobia (one University employee refers to Oregon's proposed sales tax as a return to sanity). Those who just don't care. And finally, those who really don't have a clue what the sales tax is, or they just haven't taken the time to decide what they really think about the measure (their voters' pamphlet makes a great coaster).

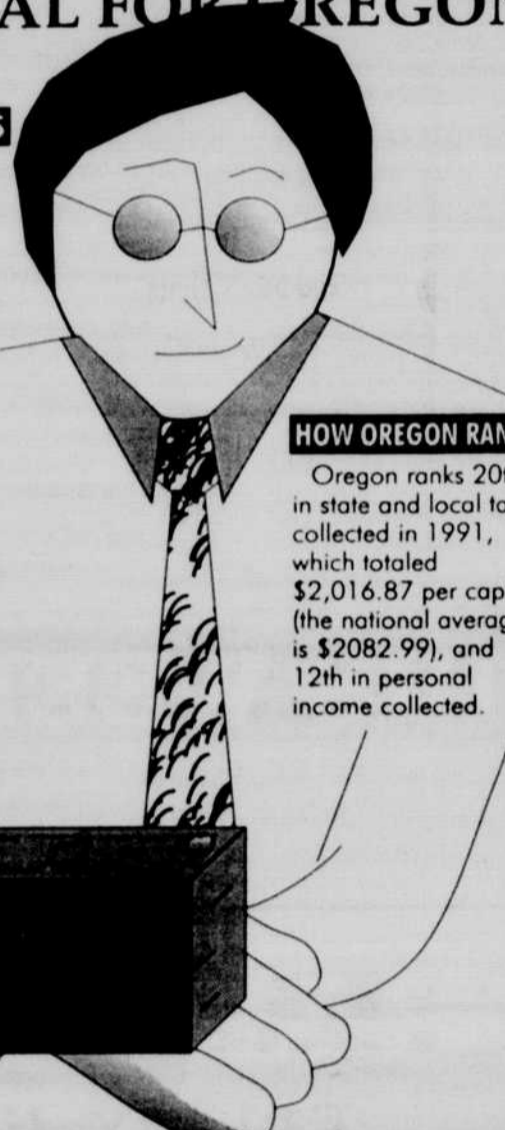
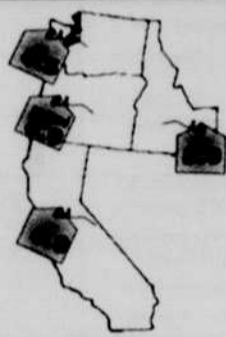
Call me strange, but the last group of voters really scared me — especially those who are students. So, before discussing how Eugene is going to vote on the sales tax, I felt obligated to educate those who asked "What is it?"

Ballot Measure 1 calls for a 5 percent sales tax on most retail goods. It can only be raised by a statewide vote. Exempt from the tax are food for home consumption, housing, medicine, gasoline, utilities, farm animals, feed, seed and fertilizer.

Sales tax money would be earmarked for the funding of public schools, including kindergartens and community colleges, and is supposed to replace school revenues lost from 1990's Ballot Measure 5. According to the Oregon Voters' Pamphlet, the sales tax would increase public school revenues by \$953 million each year. The tax

In the wake of 1990's Measure 5, lawmakers have a PROPOSAL FOR OREGON

REGIONAL SALES TAXES



HOW OREGON RANKS

Oregon ranks 20th in state and local taxes collected in 1991, which totaled \$2,016.87 per capita (the national average is \$2082.99), and 12th in personal income collected.

WHAT'S PROPOSED

- A 5 percent sales tax on goods starting May 1, 1994.
- Principal exemptions: groceries, prescription medication, fuel and shelter.

SPECIFICS

- A vote in 1998 whether to continue the sales tax program.
- Sales tax revenue is dedicated to funding public schools.
- Sales tax rate will not increase without a vote of the public.

JEFF PASLAY/Emerald

also means an increase of about 7 percent in corporate income taxes.

Despite the uninformed few, however, the majority of people I talked with last week are concerned about the impact of a possible sales tax and are seriously considering how they will cast their vote.

"I really don't know if I'd want to pay a lot of extra money, but it's really the last hope we have," said Karla Stenius, a junior at South Eugene High School.

Many voters said they think the tax is necessary for both public schools and universities but are worried schools won't actually get the money. One out-of-state resident said he thinks the sales tax is a good idea but should be started on a sliding scale so it won't be a shock to business.

Those opposing the measure said a sales tax would be a blow to Oregon's economy and small businesses will suffer.