

Kulongoski shouldn't worry about a tax ballot hurting Democrats in 2004, he says. "It probably wouldn't make much of a difference."

Reformers say the time to act is now. "Oregon can't afford not to act," says FOFT coalition director Chip Terhune. "We've become this national poster child for states in fiscal difficulty."

Budget cuts threaten to cut medical coverage for 150,000 Oregonians and close schools up to 30 days early. "Tremendous damage is being done," Terhune says.

Lundquist of OBA says business leaders also have a sense of urgency. "We cannot have a healthy business environment if we let the state fall below certain minimum standards," he says. Already it's becoming hard for businesses to recruit employees to a state with a national reputation for schools closing to save money, he says.

Nesbitt says now is not the time for yet more tax reform blue-ribbon commissions. "It's a time for solutions."

With so much publicity recently about Oregon's failure to fund schools, the time is ripe right now for reform, Nesbitt says. It will be harder to restore cut programs later than save them now, he says. With school out for summer, the public pressure for reform has let up, he says. "We may already have lost it for the time being."

### TAKING INITIATIVE

With action from the governor and legislature unlikely, FOFT coalition members say they're preparing to gather signatures to put a progressive tax reform measure on the ballot in November 2004.

Coalition members are now debating among themselves and trying to figure out what exactly to put on the ballot. Members want something that will be fair, politically viable and provide additional stable revenue, Terhune says. "It is going to take a lot of work to boil it down to either a single initiative or series of initiatives."

Given the urgency of the school funding situation, there's some debate on whether it's more important for the measure to provide more revenue and be politically viable or be fair to the poor, Marshall says.

David A. Leslie, director of Ecumenical Ministries of Oregon, says the most important criteria should be fairness. "It would be better to try and keep the principle focused before you jump to any revenue is good revenue."

"The benchmark has to be does this make the tax system more fair to working families. Without that I don't think it has

a chance" of passing, Nesbitt says. The AFL-CIO director says the group should put one easy to understand measure on the ballot. Two measures could split a potential majority and both fail, he says.

### MORAL MAJORITY

Whatever reformers put on the ballot, it won't be easy to pass.

"I don't think it's a problem of finding the right question," Hibbitts says. "Nothing would pass."

A tax increase will be even more difficult given recent votes to fund tax increases in Eugene and Multnomah

County, Hibbitts says. Voters who've already passed a local measure for schools may say, "We gave at the office."

Another difficulty in taxing the rich and giving to the poor is that "class warfare politics hasn't been terribly successful in the United States," Hibbitts says. "Many people believe that one of these days they're going to be in the upper class," Hibbitts says. Middle class voters also often have different interests and don't ally with lower income people, he says.

But McIntyre says, "raising taxes on the rich always polls well." The challenge, he says, is educating voters that the poor

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"It's way too early to know what's going to pass in November 2004," Marshall says. She says this tax reform effort will be more broad based and well-organized than the failed Measure 28 campaign and other past efforts at tax reform.

Oregon passed an income tax increase in the deeper 1980s recession to fund schools, Marshall says. "We could do it now if we had the political will."

If Oregon is able to reform the higher burden of its taxes on the poor, it would be a leader among states nationwide. Oregon state taxes are actually less regressive than most states, mostly because Oregon lacks a sales tax, according to ITEP.

State taxes are so regressive because of a variety of reasons, according to Bob McIntyre, director of ITEP. States historically left income taxes to the federal government, were igno-

get stuck with the bills the rich don't pay. "When confronted with the tradeoffs, people tend to move towards more progressive taxes."

Nesbitt says the appeal of fairer taxes will help pass a ballot measure. "The key to solving the budget problem is to come up with a more fair tax system that raises revenue," he says. "Fair taxes for good schools and good jobs," should be the motto, he says.

"Possibly that might have a chance," says Hibbitts of such a Robin Hood call for fairness and justice.

Leslie of Ecumenical Ministries says fairer taxes have a universal moral appeal. "In a fair and just society, the rich should pay more," he says.

In anti-tax Alabama, conservative Republican governor Bob Riley is citing the Bible in his campaign to reform the "immoral" taxes in his state by taxing the rich more and the poor less.

Who would Jesus tax?

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