

Flat Tax Hits Poor to Give Rich Breaks

Impact of County Flat Tax vs. Graduated Rates*

Income Range	Average Income	Flat Tax Impact	
		% Change	\$ Change
Poorest 40 %	\$8,838	+51%	+\$36
Middle 40 %	\$39,026	+26%	+\$78
Next 15 %	\$84,871	-28%	-\$192
Next 4 %	\$169,876	-63%	-\$950
Richest 1 %	\$775,684	-73%	-\$5,666

*Compares county 1.1 percent rate to a graduated rate structure (.51 to 1.9 percent) similar to federal taxes

Source: EW calculations based on Oregon income tax revenue data

need to be going outside the box,” Sorenson said. “It bothers me that we’re not doing that.”

Sorenson said he agrees that more money is eventually needed. But now, with voter distrust high, the county may have a better chance of passing a fairer, undedicated tax measure when and if the federal funding is canceled and people can see the actual effects for themselves.

SPENDING

The county may have also undermined its arguments that it faces a budget crisis by continuing controversial spending.

Last month the conservative majority

propaganda in violation of state law, but county officials say the spending is on unbiased information. State officials are investigating a complaint and have requested the county make a make a few immediate changes to its website language.

One misleading part of the pro-tax campaign is repeated claims that the money is only to replace what might be lost to federal funding cuts.

“The tax is to strictly fund what we’re losing,” Stewart said.

In fact, the tax would raise at least an extra \$6.3 million to pay for a 6 percent increase in county spending next year, according to county budget manager Dave Garnick. Garnick said the increase is needed to cover rising labor and health care

Sorenson said at least an additional year of Secure Rural Schools (SRS) funding is more likely than not.

on the County Commission voted to subsidize developers with a \$6 million new parkway that will increase urban sprawl in Springfield. The “We Said No” group opposing the tax has cited the expenditure as a reason to vote against the tax measure.

The \$6 million came from the county road fund and can’t be used for general government. But the road fund is also facing the loss of \$20 million in federal funding. The road fund money could also have been used to maintain roads and help Eugene and Springfield taxpayers with their large pothole repair backlogs.

We Said No also cited the roughly \$50 million in tax breaks the county has pushed to give to Hynix as a reason to vote against the tax.

Opponents of the tax measure have also complained that the county is spending tax money to convince voters that it needs more tax money. For the failed but similar November measure, the county spent \$250,000 pushing the tax. For this measure, the county spent about another \$40,000. Critics have called the publicity campaigns

costs.

But while the county has factored in an inflation increase for itself, there is no similar automatic inflation adjustment included in the tax for the deductions and exemptions to help the very poor afford the flat tax.

There’s also a good chance that the flat tax revenue could far exceed expectations. The county includes several conservative estimates in its revenue calculations. In down years, the tax includes a 10 percent rainy-day reserve.

But during better years, it’s not clear what would happen to any surpluses. Statewide, total taxable income has increased an average of about 8 percent a year over the last decade.

So with both many progressives and conservatives opposed to the flat tax, does it have a chance?

By trying to enact the tax in February, three months after voters defeated a similar tax, the county stirred up a “huge firestorm” of opposition, Sorenson said. “I think it will fail.”

EW



We invite you to join us in our wooded setting,
13 miles west of Eugene near Veneta,
Oregon for an unforgettable adventure.

ADVANCE TICKETS:
FRIDAY \$15 • SATURDAY \$20 • SUNDAY \$15
DAY OF EVENT:

FRIDAY \$20 • SATURDAY \$25 • SUNDAY \$20
There will be a \$1 TicketsWest service charge on all single day tickets sold.
There will be a \$2 TicketsWest service charge on all 3-Day tickets sold.

PURCHASE A
3-DAY TICKET FOR \$40

Tickets are available at all TicketsWest locations
including most Safeway Stores.

Charge by Phone: 1-800-992-8499
Order online at: www.ticketwest.com
For more information:
www.oregoncountryfair.org

Please get your tickets in advance.

Absolutely No Tickets will be sold on-site.

Parking \$5/day on-site.

Ride the FREE LTD Shuttle buses from two Eugene locations.
You must have an admission ticket to ride the bus or enter the parking lot.

Please NO Dogs, NO Glass Containers, No Video Cameras.
The Oregon Country Fair is a drug and alcohol free event.

