

In theory, new business taxes could cover shortfall

Estimates come with caveats

By **CLAIRE WITHYCOMBE**
Capital Bureau

SALEM — Certain types of state business taxes could raise enough additional revenue that match the state's projected budget shortfall of nearly \$1.8 billion, according to an analysis from Oregon's nonpartisan Legislative Revenue Office.

But those estimates come with serious caveats. They don't take into account behavioral responses in the broader economy. They also don't account for other adjustments to taxes that legislators could make in exchange for instituting a new or higher tax on business.

Those catches encapsulate the challenge of crafting the state's tax policy, a political battle that's taking shape this session.

The shortfall is the gap between expected revenue for the upcoming two-year budget cycle and what is needed to fund state services at current levels, according to the Democratic chairs of the state legislative budget-writing committee.

Prior to the start of the session Republicans said that they'd be willing to consider revenue reform in exchange for cutting the costs of state government. One target of their ire is the state's public

pension system. Legislators on the House Revenue Committee — the chamber where revenue-raising measures have to start — spent last week and Monday reviewing different types of taxes that could, if passed, replace or alter the current business tax structure.

Some of those taxes were included in a Legislative Revenue Office analysis of estimated revenue from various types of taxes last week, which officials were quick to say was not a policy proposal.

Corporate income tax
Revenue officers estimated that if the Legislature increased the corporate income tax rate to 20 percent, they could raise more than \$2.8 billion in the 2017-19 budget cycle.

The state's tax rate on corporate income is currently whichever is greater: a minimum tax on relative sales or 6.6 percent tax on taxable income, for companies making up to \$1 million, or 7.6 percent tax for companies making more than that, according to Business Oregon.

In the upcoming biennium, the corporate income tax, at its current rates, is projected to bring in about \$1.03 billion.

But, as Legislative Revenue Officer Paul Warner told legislators last week — in something of an understatement — a 20 percent corporate income tax would probably result in "some feedback" from the business community.

The state's general fund

is largely dependent on the income tax, which swings up and down with the economy. Some proponents of revenue reform claim the amount businesses contribute to the state's revenue pool is too little and has shrunk in recent decades.

Corporate income taxes are one subset of business taxes.

'Menu' of options
There's a "menu" of options available when it comes to business taxes, says Warner, and states from New Hampshire to Ohio have a different array.

Each type of tax comes with varying consequences in terms of the state's revenue volatility, administrative complexity and prices on goods and services.

The revenue office last week also presented figures to lawmakers on a business privilege tax and a value-added tax.

A business privilege tax is considered an excise tax and levied on the "privilege of doing business" in the state.

Under the Legislative Revenue Office's analysis, estimates of revenue that such a tax could bring in range from \$744 million to \$2.8 billion in the upcoming biennium, depending on the threshold for inclusion.

Again, those estimates don't acknowledge what consequences the institution of such a tax might have on the economy or other changes that legislators could make in combination with those changes, such as eliminating the corpo-

rate income tax.

A value-added tax is charged whenever value is added to a product. It can be calculated in different ways, but by one calculation method, it is based on gross sales receipts minus the cost of a business' purchases from other businesses. The Legislative Revenue Office said, with a \$1 million sales threshold, a rate of 1 percent could bring in \$1.33 billion or, at 1.5 percent, nearly \$2 billion.

Gross receipts tax

With a gross receipts tax, some legislators have expressed concerns about "pyramiding," or the phenomenon where the cost of goods grows with every step in the supply chain, and eventually trickles down to the consumer.

The amount of pyramiding depends on the good that is being sold, though, according to Warner. Some products, such as agricultural commodities, require more processing. In Nevada, businesses purveying those types of goods are taxed at a lower rate than those selling services such as entertainment.

While a value-added tax has a broad base by incrementalizing charges and minimizes pyramiding, it is uncommon and can put exporters at a competitive disadvantage, according to the Legislative Revenue Office.

The Capital Bureau is a collaboration between EO Media Group and Pamplin Media Group.

Bill would expand Oregon Health Plan to undocumented children

Expansion put at \$55 million over two years

By **PARIS ACHEN**
Capital Bureau

SALEM — When 12-year-old Raul Perez was diagnosed with a heart problem last fall, his family's immediate question was how could they afford to pay for medical treatment.

Because Raul came to the United States undocumented at age 3 and lacks a Social Security card, he is ineligible for coverage under the Oregon Health Plan. His mother, a housekeeper, said she and his father, a landscaper, cannot afford the surgery he will eventually need to repair the hole between the top two chambers of his heart.

"Right now, he does not have health insurance, so I cannot sleep at all," she said. "For me, it is really hard to see how much it's going to be, how much it's going to cost for us."

When Raul speaks, there is no hint of his Mexican origin in his voice. His accent sounds Oregonian as he spouts perfect standard English and helps his mother articulate her thoughts in her adopted language.

Meanwhile, Raul's 5-year-old sister qualifies for the state Medicaid program because she was born in this country.

Gov. Kate Brown, a bipartisan group of lawmakers and advocates argue that Perez should receive the same benefits as his sister.

The lawmakers have sponsored legislation that would allow the Oregon Health Authority to give health coverage to the more than 17,000 undocumented children in the state, effective July 1. Children in households that earn 300 percent of federal poverty level are eligible for the state health program.

The bill was first proposed by former state Rep. Vic Gilliam, R-Silverton, who resigned earlier this month due to his battle with Lou Gehrig's disease, or amyotrophic lateral sclerosis. Gilliam sought to pass the same legislation in 2015, but it died in the Senate.

Rep. Alissa Keny-Guyer, D-Portland, read testimony by Gilliam in support of this year's bill during a hearing in the House Committee on Health Care.

"The bill offers care and compassion to a vulnerable Oregon population, and it offers savings and illness prevention for all Oregonians," Gilliam wrote. "Our communities are stronger when all of our children are healthy."

Gov. Brown has included the \$55 million biennial cost to add the coverage in her proposed budget, released in December. The cost can only be paid for with state general fund dollars.

Poet laureate reflects on human condition at Cannon Beach talk

Words, voice, family and nature

By **REBECCA HERREN**
The Daily Astorian

CANNON BEACH — Keep it simple, embellish a lot and write from the heart with humor and honesty. That was how poet laureate Elizabeth Woody's message came across as she spoke to a crowded audience at the Tolovana Arts Colony in Cannon Beach on Friday evening.

Woody is of Navajo Nation

and Yakama Nation descent and is an enrolled member of the Confederated Tribes of Warm Springs. Her poetry reflects her close ties with her family and her relationship to the natural world, incorporating language that is rhythmic and inspirational — full of history and culture. Her writings intertwine nature's imagery with thoughtful obser-



Elizabeth Woody

vation and she uses ancestral experiences and contemporary issues to express the voice of native communities today.

Woody is open about her family and her background, a group she portrays with humanity and sympathy. Raised by her grandparents, the wisdom of her ancestors was evident as she spoke about the importance of words, voice, family and nature. "I was raised in a family that always had me think about other people," she said.

Woody likens the theory of quantum science and quan-

tum society with the oneness of family units, noting that hard research on the foundation of love shows how family hearts syncopate when people truly love one another.

The human condition

Her writings express her understanding of the human condition as she weaves ancestry with community. Her second book "Luminaries of the Humble" is a compilation of her reflections as she observes everyday life.

Before each reading, she preceded the selection with

anecdotes that prompted her writings. Her collection of poems in "Wind Movement" describes important elements that were important to her father. Comparing his beloved Navajo language to the wind, Woody explained, "It's like the wind, you can't name it. It is just there — like energy."

"Rosette," for example, is the desire to learn the art of beading from her grandmother who, when asked, informed Woody that she already was an expert beader. Disappointed with this answer, Woody threw away the medallions she had

beaded. Her grandmother fetched them from the trash, sewed pins to the backs and wore them to an event; proudly telling everyone her granddaughter had made them.

Another reading evoked the memory of her grandparents telling stories every morning during breakfast. Reflecting, Woody imparted on how much in love her grandparents were and how often they giggled. She told of the time her grandfather visualized her grandmother as "a beautiful little girl on a beautiful horse with beautiful long glistening braids."

THE DAILY ASTORIAN

TV LISTINGS

Evening listings
TUESDAY

TUESDAY EVENING												FEBRUARY 21		
A	L	6 PM	6:30	7 PM	7:30	8 PM	8:30	9 PM	9:30	10 PM	10:30	11 PM	11:30	
2	KATU	(2) KATU News at 6		Jeopardy!	Wheel of Fortune	The Middle (N)	Am. Housewife (N)	Fresh Off-Boat (N)	Real O'Neals (N)	Agents of SHIELD "Self Control" (N)		KATU News at 11	(35) Jimmy Kimmel	
4	KOMO	(4) KOMO 4 News		Jeopardy!	Wheel of Fortune	The Middle (N)	Am. Housewife (N)	Fresh Off-Boat (N)	Real O'Neals (N)	Agents of SHIELD "Self Control" (N)		KOMO 4 News	(35) Jimmy Kimmel	
5	KING	(5) NBC Nightly News	KING 5 News	KING 5 News	Evening	The Wall "Ashle and Xandi" (N)	This Is Us "Memphis" (N)	Chicago Fire "Purgatory" (N)	KING 5 News @ 11	(35) S. Colbert		KING 5 News	(35) Tonight Show	
6	KOIN	(6) KOIN Local 6 at 6	CBS Evening News	Extra	Ent. Tonight	NCIS "A Many Splendored Thing" (N)	Bull "What's Your Number?" (N)	NCIS:NewOrleans "End of the Line" (N)	KOIN 6 News @ 11	(35) S. Colbert		KOIN 6 News	(35) S. Colbert	
7	KIRO	(7) KIRO 7 News	CBS Evening News	The Insider	Ent. Tonight	NCIS "A Many Splendored Thing" (N)	Bull "What's Your Number?" (N)	NCIS:NewOrleans "End of the Line" (N)	KIRO 7 News	(35) S. Colbert		KIRO 7 News	(35) S. Colbert	
8	KGW	(8) KGW News at 6:00 p.m.		Live at Seven	Inside Edition	The Wall "Ashle and Xandi" (N)	This Is Us "Memphis" (N)	Chicago Fire "Purgatory" (N)	KGW News at 11	(35) Tonight Show		KGW News	(35) Tonight Show	
9	KRCW	(9) Last Man Standing	Last Man Standing	Modern Family	Modern Family	The Flash "Attack on Gorilla City" (N)	LegendsTomorrow "Camelot/ 3000" (N)	KGW News at 10	Two and a Half	Two and a Half	Met Your Mother		Two and a Half	Met Your Mother
10	KOPB	(10) Ask-Old House	Business (N)	PBS NewsHour		American Attacks "Maya Angelou" (N)		Frontline "Out of Glimp" (N)					Trailblazers: The New Zealand Story	
12	KPTV	(12) 6 O'Clock News		Family Feud	Family Feud	New Girl (N)	The Mick (N)	Bones "The Grief and the Girl" (N)	10 O'Clock News			11 O'Clock News	2 Broke Girls	
13	KPDx	(13) Mike & Molly	Mike & Molly	Big Bang Theory	Big Bang Theory	FOX 12's 8 O'Clock News on PDX-TV	FOX 12's 9 O'Clock News on PDX-TV	Bones "The Grief and the Girl" (N)	Family Guy 1/2	Family Guy	American Dad	Cleveland Show		
13	KCPQ	(13) Modern Family	Modern Family	Big Bang Theory	Big Bang Theory	New Girl (N)	The Mick (N)	Bones "The Grief and the Girl" (N)	Q13 News at 10			Q13 News	The Simpsons	
20	TBS	(20) Seinfeld	Seinfeld	Seinfeld	Seinfeld	Big Bang Theory	Big Bang Theory	Big Bang Theory	The Detour (N)	The Detour (N)	(05) Conan			
22	KZJO	(22) Two and a Half	Two and a Half	Last Man Standing	Last Man Standing	Modern Family	Modern Family	Q13 News at 9	Big Bang Theory	Big Bang Theory	Friends	Friends		
29	ESPN	(29) NCAA Basketball	Indiana at Iowa (L)			SportsCenter		SportsCenter				SportsCenter		
30	ESPN2	(30) NCAA Basketball	Mississippi (Ole Miss) at Mississippi State University (L)			NFL Live		College Basketball	Jalen & Jacoby (N)	E:60 Pictures	Mike & Mike: ICM (N)	Jalen & Jacoby		
31	NICK	(31) Henry Danger	Henry Danger	Paradise Run	The Thundermans	The Thundermans	Game Shakers	Full House	Full House	Full House	Friends	Friends		
32	DISN	(32) Bunk'd	Bizaardvark	K.C. Undercover	Good Luck Charlie	Stuck in Middle	Good Luck Charlie	Liv and Maddie	Liv and Maddie	Bunk'd	Bunk'd	Jessie	Jessie	
34	FAM	(34) (5:00) ** The Twilight Saga: New Moon	(09) Taylor Lautner, Kristen Stewart.			The Fosters "Doors and Windows" (N)	Birth "Relation of Lines and Colors" (N)	The Fosters "Doors and Windows" (N)				The 700 Club		
35	FMC	(35) (5:00) When the Game Stands Tall	(20) When the Game Stands Tall (2014)			Sport) Alexander Ludwig, Michael Chiklis, Jim Caviezel.	(40) FXM Presents	**** Lopper (2012, Action) Bruce Willis, Emily Blunt, Joseph Gordon-Levitt.				The Pop Game (P) (N)	The Pop Game	
36	LIFE	(36) Dance Moms "Leaving La La Land"	Dance Moms	Dance Moms		Dance Moms (N)		The Pop Game (P) (N)				The Pop Game		
38	ROOT	(38) Wild Places	Mark Few (N)	Champions Tennis	QQQ Cup PowerShares Series	WPT Poker Tournament of Champions		Mark Few	WPT Poker Bay 101 Shooting Star			Poker Night (N)		
39	FS1	(39) (5:00) NCAA Basketb. St.J./Marquette (L)		Boxing Premier Champions	Miguel Flores vs. Dat Nguyen (L)	Fox Sports Live	TMZ Sports (N)	Skip and Shannon: Undisputed	Opinions on the biggest sports topics of the day.			Campus PD	Campus PD	
43	SPiKE	(43) Cops	Cops	Cops	Cops	Cops	Cops	Cops	Cops	Cops	Cops	Campus PD	Campus PD	
44	COM	(44) Futurama	Futurama	Futurama	Futurama	Tosh.0	Tosh.0	Tosh.0	Tosh.0 (N)	Detroiters (N)		The Daily Show (N) @midnight		
45	HIST	(45) Oak Island "Hiding Park and Go Seek"	Curse of Oak Island "One of Seven"	Oak Island "Of Sticks and Stones" (N)	The Curse of Oak Island "Blood Is Thicker" (SF) (N)			(55) Codependent "Louis and Dan"	Escaping Polygamy (N)			24 to Life "Shadow of Shame"		
46	A&E	(46) First 48 "Closing Time/ Family Matters"	Intervention "Carrie E"	Intervention "Sierra"	(55) Codependent "Louis and Dan"	My Big Life "Judging Whitney"	My Big "How Low Can Whit Go?" (N)	Tattoo Girls "A Shop Divided"			(05) My Big "How Low Can Whit Go?"			
47	TLC	(47) Say Yes-Dress	Say Yes-Dress	To Be Announced	My Big Life "Judging Whitney"	My Big "How Low Can Whit Go?" (N)	Tattoo Girls "A Shop Divided"				(05) My Big "How Low Can Whit Go?"			
48	DISC	(48) Mtnshiner "Big Wheels Keep on Turning"	Moonshiners "The Green Devil" (N)	Moonshiners "Thunder Pumpkins" (N)	Moonshiners "Thunder Pumpkins" (N)	Killing Fields (SF) (N)						Moonshiners		
49	NIGC	(49) Eyewitness War "Blood Brothers"	Inside Combat Rescue "Fog of War"	Inside Combat Rescue "Visions of War"	Inside Combat "The Last Stand" The final stages of Operation Enduring Freedom.							IM Ware "Riding for Mother Russia"		
50	TNT	(50) Bones "Boy in the Time Capsule"	Bones "The Knight on the Grid"	*** Jack the Giant Slayer (2013, Fantasy) Ewan McGregor, Stanley Tucci, Nicholas Hoult.	*** Godzilla (14, Act) Aaron Taylor-Johnson, Elizabeth Olsen.							*** Walk the Line (05) Reese Witherspoon, Ginnifer Goodwin, Joaquin Phoenix.		
51	AMC	(51) (4:00) Forrest Gump (94) Tom Hanks.	*** Pearl Harbor (2001, War) Kate Beckinsale, Josh Hartnett, Ben Affleck.									Chrysler Knows (N) Chrysler Knows	Modern Family	
52	USA	(52) Law & Order: S.V.U. "Resilience"	Law & Order: S.V.U. "Damaged"	WWWE Smackdown! WWE superstars do battle in long-running rivalries.	Chopped Junior "Heads Will Roll" (N)	Chopped "Bacon Baskets!"		Chrysler Knows (N) Chrysler Knows	Chopped "Chefs in a Pickle" (N)	Chopped "Say Cheese!"		Chopped "Say Cheese!"		
53	FOOD	(53) Chopped "Unsung Heroes"	Chopped "Thrill of the Grill"	Chopped Junior "Heads Will Roll" (N)	Chopped "Bacon Baskets!"			House Hunters	House Hunters (N)	Fixer Upper "Retiring to the Country"		Fixer Upper "Retiring to the Country"		
54	HGTV	(54) Fixer Upper	Fixer Upper "The Floating Fixer Upper"	Fixer Upper (N)	Fixer Upper "Space in the Suburbs" (N)			House Hunters	House Hunters (N)	Fixer Upper "Retiring to the Country"		Fixer Upper "Retiring to the Country"		
56	FX	(56) (5:00) Hansel & Gretel: Witch Hunters	*** The Avengers (2012, Action) Chris Evans, Scarlett Johansson, Robert Downey Jr..					Taboo James Delaney faces a devastating betrayal. (N)	Taboo			Taboo		
57	CNN	(57) Anderson Cooper 360	CNN Tonight With Don Lemon	CNN Tonight With Don Lemon	Anderson Cooper 360			Anderson Cooper 360				CNN Tonight With Don Lemon		
58	FNC	(58) Tucker Carlson Tonight	Hannity	The O'Reilly Factor	Tucker Carlson Tonight			Hannity				The First 100 Days		
61	CNBC	(61) Shark Tank	Billion Buy "I Need Your Vision" (SF) (N)	Shark Tank	Billion Buyer "I Need Your Vision"			Billion Buyer "I Need Your Vision"				Paid Program	Paid Program	
63	BRAV	(63) The Real Housewives of Beverly Hills	Beverly Hills "Hostile Hacienda"	Beverly Hills Social (N)	Beverly Hills (N)			Imposters "We Wanted Every Lie" (N)	Watch What (N)	Beverly Hills		Beverly Hills		
64	TNCM	(64) (5:00) The Quiet Man (52) John Wayne.	(15) *** The Razor's Edge (1946, War) Gene Tierney, John Payne, Tyrone Power.					(45) **** Rear Window (54, Susp) Grace Kelly, Wendell Corey, James Stewart.				Movie		
65	SYFY	(65) Face Off "The Devil Is in the Details"	Face Off "Monster High"	Face Off "Snow Queens"	Face Off (N)			**** John Wick (14, Action) Keanu Reeves.				Product Showcase		
162	RFD	(162) (5:30) Cattlemen (N)	Tractor Pulling	Downunder Horseman.	Chris Cox	Rural Eve. News	Ag PhD	Cattlemen to Cattlemen	Tractor Pulling 1/2			Product Showcase		

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