

New tax options on the table in Salem

Lawmakers weigh changes in state taxes

By **CLAIRE WITTHYCOMBE**
Capital Bureau

SALEM — State lawmakers began discussions Tuesday on the broad strokes of proposed changes in taxes that could raise as much as \$3 billion per budget cycle.

The proposed changes could include three main features — a new tax on gross business sales; the elimination of the corporate income tax; and reductions in the personal income tax.

State Sen. Mark Hass, D-Beaverton, co-chairman of the legislature's newly formed Joint Committee on Tax Reform, said the plan released Tuesday is an attempt to address what he has described as a volatile state revenue system that relies on the personal income tax.

The plan's proposed reductions to the personal income tax also seem intended to counter criticisms that a tax on business sales will increase consumer prices.

Lawmakers are contending with a \$1.6 billion gap between what the state anticipates in revenue and what it will cost to maintain current services in the upcoming two-year budget.

Hass has been leading the charge on efforts to vet

changes to the tax system. Legislative Revenue Officer Paul Warner called the information presented Tuesday a "guidepost" to drafting a formal tax proposal.

Under the plan, a new tax would apply to all businesses with more than \$150,000 in annual sales in Oregon. Companies with sales between \$150,000 and \$1 million would be charged a flat rate of \$250, while those with sales of more than \$1 million would pay the flat fee and a percentage of gross receipts exceeding \$1 million. That percentage remains undecided.

The nonpartisan Legislative Revenue Office estimated by extrapolating information from Ohio that a rate of 0.25 percent, combined with eliminating the corporate income tax, would bring in an additional \$288 million in the upcoming two-year budget if both policies started in January 2018. At the high end, a 1 percent rate could bring in about \$3.1 billion in the next two-year budget.



Mark Hass



Jennifer Williamson



Mike McLane

\$25 million. It was expected to bring in about \$6 billion per budget period.

A gross receipts tax could affect certain businesses differently. A grocer, for example, typically has low profit margins compared to professional services firms such as lawyers' offices.

Washington state's business and occupation tax accounts for these differences in sectors by assessing different rates for different sectors, while Ohio has opted for one rate in its commercial activities tax to keep the base wide, and therefore rates low, according to Legislative Revenue Office documents prepared for Tuesday's meeting.

The Legislative Revenue Office says that the disadvantages of a gross receipts tax included "pyramiding" — when a tax is assessed at multiple stages of the production process — and "upward pressure" placed on consumer prices.

Regressive

Detractors say a gross receipts tax could be regressive, as people earning lower incomes pay a greater share of their income on consumer goods. Part of the proposal discussed Tuesday includes lower rates for income taxes for lower-income earners, expanding the earned income tax credit and increasing the standard deduction and personal exemption credit.

In proposing a plan, the

work group aimed for four policy "principles", Warner said, including a broad base and a simplification of state business taxes.

In the wake of Measure 97's failure, labor groups have maintained their call for changes to the state's revenue system, and in particular, higher business taxes. They say their aim is not just to address the \$1.6 billion gap presently before lawmakers, but what they characterize as the structural pitfalls of a budget that relies heavily on the personal income tax.

"We'll be watching closely to see if this plan generates revenues above and beyond the deficit," SEIU Local 503 President Steve Demarest said in a prepared statement. "Because that's what Oregon needs to make real investments in education, healthcare, and other critical public services."

Businesses opposed

Brighter Oregon, a business group that has coalesced around the state's budget issues, contends the proposal merely passes costs onto consumers in the style of Measure

97, and said that changes to the state's revenue system could wait until the Legislature adjourns in July.

"Consideration of tax increases to fund vital investments can occur once cost controls are in place," said Sandra McDonough, president and CEO of the Portland Business Alliance.

A Better Oregon — a coalition of groups calling for increased business taxes — claimed businesses are "stalling."

"This is yet another example of business' brazen moving of the goal posts when it comes to meaningful compromise," said Hannah Love, campaign manager for A Better Oregon, in a statement.

A Brighter Oregon has said they are willing to consider revenue reform once the Legislature prioritizes economic growth and containing the state's costs. Yet another, separate group, calling itself Priority Oregon, has formed in opposition to any gross receipts tax.

GOP reaction

Republican leaders in the Legislature also called for addressing the state's costs first, saying they believed

Oregonians would reject another gross receipts tax, which they characterized as a descendant of Measure 97.

"While I appreciate the efforts of Sen. Hass, I do not believe Oregonians would support this latest rendition of Measure 97," said House Minority Leader Mike McLane, R-Powell Butte.

By contrast, House Majority Leader Jennifer Williamson, D-Portland, called the plan a "great step forward" and argued it would simplify business taxes, stabilize school funding and relieve "working families."

A bipartisan group of legislators released a broad list of possible strategies to address the state's cost drivers in late April; last week, the governor announced efforts to step up the state's debt collection and make changes to collective bargaining with public employees.

Lawmakers on the tax reform committee will continue discussing business taxes at their next meeting Thursday morning.

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

Tribe bets on casino plan

By **ANDREW SELSKY**
Associated Press

SALEM — A confederation of tribes in Oregon announced plans Tuesday to build a casino in the state capital, and draw in crowds of gamblers from Portland. The Confederated Tribes of Siletz Indians of Oregon said they hope to open the 140,000 square foot entertainment, gaming and hotel facility in 2021 on reservation property on the northern end of Salem.

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TV LISTINGS

Evening listings
WEDNESDAY

WEDNESDAY EVENING													MAY 3	
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 Goldbergs (N)	Speechless (N)	Modern Family (N)	Black-ish (N)	Designated Survivor "Misalliance" (N)		KATU News at 11	(35) Jimmy Kimmel	
3	KOMO	(4) KOMO 4 News		Wheel of Fortune	Jeopardy!	The Goldbergs (N)	Speechless (N)	Modern Family (N)	Black-ish (N)	Designated Survivor "Misalliance" (N)		KOMO 4 News	(35) Jimmy Kimmel	
4	KING	(5) NBC Nightly News	KING 5 News	KING 5 News	Evening	Law&Order: SVU "Real Fake News" (N)	Chicago P.D. "Fagin" (N)	Chicago P.D. "Fagin" (N)				KING 5 News	(35) Tonight Show	
6	KOIN	(6) KOIN Local 6 at 6	CBS Evening News	Extra	Ent. Tonight	Survivor: Game Changers (N)	Criminal Minds "Green Light" (N)	Crim. Minds: Borders "Type A" (N)				KOIN 6 News @ 11	(35) Colbert	
7	KIRO	(7) KIRO 7 News	CBS Evening News	The Insider	Ent. Tonight	Survivor: Game Changers (N)	Criminal Minds "Green Light" (N)	Crim. Minds: Borders "Type A" (N)				KIRO News	(35) Colbert	
8	KGW	(8) KGW News at 6:00 p.m.		Live at 7	Inside Edition	Blindspot "In Words, Drown I" (N)	Law&Order: SVU "Real Fake News" (N)	Chicago P.D. "Fagin" (N)				KGW News at 11	(35) Tonight Show	
9	KRCW	(9) Last Man Standing	Last Man Standing	Modern Family	Modern Family	Arrow "Underneath" (N)	The 100 "Die All, Die Merrily" (N)	KGW News at 10	Two and a Half			Two and a Half	Met Your Mother	
10	KOPB	(10) Journeys in Japan	Business (N)	PBS NewsHour		Nature	Nova "Super Tunnel"	Plants "Murder and Mayhem" (P) (N)				Rudy Maxa "Escape to French Polynesia"		
12	KPTV	(12) 6 O'Clock News		Family Feud	Family Feud	Shots Fired (N)	Empire "Civil Hands Unclean" (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	Family Guy	Family Guy			American Dad	Cleveland Show	
14	KCPQ	(14) Modern Family	Modern Family	Big Bang Theory	Big Bang Theory	Shots Fired (N)	Empire "Civil Hands Unclean" (N)	Q13 News at 10				Q13 News	The Simpsons	
20	TBS	(20) Seinfeld	Seinfeld	Big Bang Theory	Big Bang Theory	Big Bang Theory	Big Bang Theory	Full Frontal With Samantha Bee				Conan (N)		
22	KZJQ	(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	
29	ESPN2	(29) (4:00) MLB Baseball (L)		Baseball Tonight (L)		SportsCenter		SportsCenter With Scott Van Pelt				SportsCenter		
30	ESPN	(30) Hey Rookie	Hey Rookie	We the Fans	We the Fans	We the Fans/ Soldier		Baseball Tonight (L)				Jalen & Jacoby (N)	30 for 30 "Benji" Young Ben Wilson was a promising symbol.	
31	NICK	(31) Henry Danger	Henry Danger	The Thundermans	The Thundermans	NickyRickyDicky	Game Shakers	Full House	Full House			Full House	Friends	
32	DISN	(32) Bunk'd	Bizaardvark	K.C. Undercover	Good Luck Charlie	Stuck in Middle	Good Luck Charlie	K.C. Undercover	K.C. Undercover			Liv Maddie Cali	Radio Disney Music Awards	
34	FAM	(34) (5:00) *** Mrs. Doubtfire (93, Com)	Sally Field, Pierce Brosnan, Robin Williams.	*** Dirty Dancing (1987, Dance)	Jennifer Grey, Jerry Orbach, Patrick Swayze.							Truth & Iliza	The 700 Club	
35	FMC	(35) (5:50) The Croods (2013, Animated)	Emma Stone, Nicolas Cage. (5:50) FXM Presents	The Sitter (2011, Comedy)	Ari Graynor, Jonah Hill.			(4:40) FXM Presents				The Sitter (2011, Comedy)	Ari Graynor, Jonah Hill.	
36	LIFE	(36) LW Atlanta "Escape From Atlanta"		Little Women: Atlanta "Stage Fight"		Women ATL "Good Deed Gone Bad" (N)	LW Atlanta "Miami Vices" (N)	Little W. Dallas "Dallas Strong" (N)				Little W (N) / (05) Little W		
38	ROOT	(38) Mariners Access	MarinersPre-game	MLB Baseball Los Angeles Angels of Anaheim	at Seattle Mariners Site: Safeco Field -- Seattle, Wash. (L)			Post-game				MLB Baseball L.A. Angels vs Seattle		
39	F51	(39) The Ultimate Fighter "Eat Some Souls"		TUF 25 "Iron Sharpens Iron" (N)		TUF Talk (N)	MLB Whiparound (L)	UFC Knockouts				TUF 25 "Iron Sharpens Iron"	TUF Talk	
43	SPIKE	(43) (3:30) *** Titanic (1997, Drama)	Kate Winslet, Billy Zane, Leonardo DiCaprio.	*** Titanic (1997, Drama)	Kate Winslet, Billy Zane, Leonardo DiCaprio.								Speak for Yourself	
44	COM	(44) (2:00) Futurama "Naturama"		(5:55) South Park	South Park	South Park	South Park	ComedyJam (N)	South Park			The Daily Show (N) @midnight (N)		
45	HIST	(45) American Pickers "Twin at all Costs"		American Pickers "On the Road Again"		Amer. Pickers "Picked a Peck of Pepper"		American Pickers "Mike's Bikes" (N)				(05) American Pickers "Beer Factor"	(05) American Pickers "Hard Bargains"	
46	A&E	(46) The First 48 "Graveyard Love"		Storage Wars	Storage Wars	Storage Wars	Storage Wars	Storage Wars (N)	Storage Wars (N)			Exterminator (N)	Exterminator (N)	
47	TLC	(47) My 600-lb Life "Teretha and Chad" 1/2	My 600-lb Life "Teretha and Chad" 2/2	My 600-lb Life "Nikki" Nikki's progress is derailed by fears of more surgery. (N)								My 600-lb Life "Nikki"		
48	DISC	(48) Bush People "Wind and a Prayer"		The Last Alaskans "Killer Instinct"		The Last Alaskans "Spirit of the Hunter"		The Last Alaskans "Pray for Snow" (N)				Where the Wild Men Are "Alaska"	Bush People "Block and Tackle"	
49	NGEO	(49) Alaska Troopers "Alaskan Standoff"		The '90s "The Countdown"		LA 92						Riot	LA 92	
50	TNT	(50) (4:00) NBA Basketb. NBA Basketball Playoffs				Inside the NBA		NBA Basketball Playoffs						
51	AMC	(51) (5:00) *** Tombstone (1993, Western)	Val Kilmer, Michael Biehn, Kurt Russell.	*** Willy Wonka and the Chocolate Factory (71, Family)	Peter Ostrum, Jack Albertson, Gene Wilder. *** The Perfect Storm ('00) George Clooney.							NCIS: Los Angeles "Citadel"		
52	USA	(52) NCIS "Witch Hunt"		NCIS "Once a Hero"		NCIS "A Desperate Man"		NCIS "Psych Out"				NCIS: Los Angeles "Citadel"		
53	FOOD	(53) Guy's Grocery Games		Guy's Grocery Games		Cooks vs. Cons "Patty Meltown"		Cook vs. Con "Breakfast in Bedlam" (N)				Cooks vs. Cons "Burrito incognito"		
54	HGTV	(54) Property "Brothers Helping Brothers"		Property "Unexpected Dream Home"		Property Brothers		Buying & Selling "Sheryl and Frank" (N)				House Hunters (N) House Hunters	Property Brothers "Nicole and Colby"	
55	FX	(55) (5:00) *** Captain America: The First Avenger		*** Guardians of the Galaxy (2014, Adventure)	Zoe Saldana, Lee Pace, Chris Pratt.			Fargo (N)				Fargo "The Law of Non-Contradiction"		
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	CNC	(58) The Five		Hannity		Tucker Carlson Tonight		The Five				Hannity	Tucker Carlson Tonight	
61	FNC	(61) Shark Tank		Super Rich (N)	Shark Tank	Shark Tank		Shark Tank				Lives-Super Rich	Paid Program	
63	BRV	(63) Real Housewives "It Girl, Interrupted"		The Real Housewives "A New Low"		Wives "The Etiquette of Friendship"		Wives "The Politics of Friendship" (N)				Andy Cohen's Then and Now (N)	WatchWhat (N) Real Housewives	
64	TCM	(64) (5:00) Face of Fire		*** Black Like Me ('64, True)	Walter Mason, Lenka Peterson, James Whitmore.	*** Mrs. O'Malley and Mr. Malone ('50) Marjorie Main.		*** Because You're Mine ('52, Musical)	Jeff Donnell, Dean Miller, Paula Corday.					
65	SYFY	(65) Movie		*** Resident Evil: Afterlife ('10) Wentworth Miller, Ali Larter, Milla Jovovich.		** Ghost Rider (2007, Action) Eva Mendes, Wes Bentley, Nicolas Cage.						Jupiter Ascending ('15) Mila Kunis.		
182	RFD	(182) Cowboy TV		Cowboy Moments	Women's Rodeo	Equestrian Nation	Total Team Roping	Rural Eve. News	The Final Spin	WesternSport		Cowboy TV	Cowboy Moments	
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