

State Senate works to reverse budget impact of federal tax bill

By **CLAIRE WITHYCOMBE**
Capital Bureau

SALEM — Two business tax proposals aimed at tempering the effects of federal tax reform on Oregon's budget appear to be moving forward.

Both proposals would change state tax policy in response to the sweeping changes to personal and business taxes in the federal Tax Cuts and Jobs Act signed into law in December by President Donald Trump.

Legislative economists project that the changes in the federal law — if Oregon law is static — could mean a \$220 million hit to state revenues in the two-year budget, a scenario that some lawmakers are trying to prevent during the 35-day session.

The first of those bills easily passed the state Senate on Tuesday, and the second is expected to go before the Senate for a vote today.

Part of the federal law was aimed at incentivizing multinational corporations to bring back, or repatriate, income held overseas for tax purposes.

The Senate passed a bill Tuesday allowing the state to collect taxes on those overseas earnings. That means \$140 million in additional one-time tax revenue, according to the Senate Democratic caucus. That

'I can't find a scenario where we have more winners than losers on this.'

Anthony Smith
a lobbyist for the Oregon chapter of the National Federation of Independent Business

sum would be put into the state's rainy day fund.

Some Senate Republicans unsuccessfully proposed an amendment that would have sent the windfall to a proposed fund to help pay down the unfunded liability of the state's public pension system.

The second bill before senators this week concerns how certain businesses are taxed. The Senate is scheduled to vote on whether to depart from federal changes on that issue today.

Owners of pass-through businesses — such as partnerships, S-corporations, LLCs and sole proprietorships — pay taxes on business income on their personal taxes, rather than the business paying taxes.

The Tax Cuts and Jobs Act allows owners of pass-through businesses to deduct 20 percent of that income on their federal tax form.

While Oregon pass-through businesses would still be able to claim the 20 percent deduction on their federal taxes,

the bill before the Legislature would eliminate that deduction from state income taxes.

Anthony Smith, a lobbyist for the Oregon chapter of the National Federation of Independent Business, says that the bill will mean that the state's small businesses will pay \$212 million more in taxes in 2018 than they would if the Legislature did nothing.

The bill also allows sole proprietorships to qualify for the state's lower rates — if they also met certain other qualifications — and increases the state personal exemption credit, which is money a taxpayer can deduct for themselves and any dependents.

But Smith maintains that the increase in taxes due to the loss of the deduction is greater than the benefits for small businesses.

"I can't find a scenario where we have more winners than losers on this," Smith said.

State Sen. Mark Hass, D-Beaverton, said the move

will keep the state's coffers in balance and more fairly taxes businesses.

"It feels like a very responsible move for our state in light of these changes," Hass, the chairman of the Senate Finance and Revenue Committee, said in a committee hearing last week.

Jared Walczak, a senior policy analyst at the Tax Policy Foundation, said in written testimony to the Senate Finance and Revenue Committee last week that the case for eliminating the 20 percent pass-through deduction was particularly strong in Oregon, "where pass-through businesses already receive the advantage of a separate rate schedule."

In 2013, the Legislature passed a so-called "Grand Bargain" that included lower tax rates for certain pass-through businesses. Some of those changes would be repealed in the bill up for a vote today — for example, the bill would disqualify certain industries, including health care and professional services.

Last week, Republicans on the Senate Finance and Revenue committee expressed concern about moving on the bill before the quarterly revenue forecast Friday.

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



Luke Whittaker/Chinook Observer

The sturgeon season last year was a boon for local charter businesses.

Sturgeon season possible this spring

Limited catch considered

By **LUKE WHITTAKER**
Chinook Observer

A limited catch-and-keep white sturgeon retention season similar to last year became possible following a public meeting Friday in Olympia, Washington.

The Washington Fish and Wildlife Commission decided to encourage the state to begin discussions with Oregon fishery managers to develop a limited retention fishery in the Lower Columbia River.

A presentation by Washington Department of Fish and Wildlife staff showed that the number of adult sturgeon has increased in recent years, while the number of juvenile sturgeon has continued to decline, according

to a press release from the commission.

"We're already ahead of last year," said Coho Charters owner Butch Smith, citing an increasing number of adult sturgeon measured by fishery managers in Oregon and Washington state. "Hopefully, we'll be getting a new season announced."

Fishery managers estimate the population of legal-size (38- to 54-inch) sturgeon on the Columbia River at around 199,000, an 18 percent increase from the 165,000 in May, according to a joint staff report issued by Washington state and Oregon in January. The latest figures support a trend of increasing numbers since 2012, encouraging news for managers and anglers. Still considered to be an unhealthy total, the abundance of adult spawner-sized sturgeon has also increased from 5,950 in 2016 to 10,400 in 2017.

Ballot referral making health care a right passes state House

By **PARIS ACHEN**
Capital Bureau

SALEM — The state House voted along party lines Tuesday to ask voters to amend the state constitution to make access to cost-effective and affordable health care the right of all state residents.

The proposal now heads to the Senate and, if passed, would stand on the November ballot.

All 35 Democrats in the House voted for the measure, while the 25 Republicans opposed it.

State Rep. Mitch Greenlick, D-Portland, the bill's chief sponsor, said in light of federal efforts to overturn the Affordable Care Act, it is important for Oregon voters to weigh in on whether they want health care to be accessible to everyone.

The practical impact of creating such a right is open to debate.

House Speaker Tina Kotek and Majority Leader Jennifer Williamson, both Democrats from Portland, have said the measure is primarily "aspirational," but some legal experts say adding the right to the constitution could spur litigation.

"There is always a possibil-

ity that the state could be sued for failing to follow a constitutional mandate, but we cannot say whether such a suit would be successful and, if so, what the maximum extent of the state's liability would be," Legislative Counsel Dexter Johnson wrote in a Monday opinion requested by Rep. Julie Parrish, R-West Linn.

It also is "impossible to say whether the amendment would create a financial liability for the state" because the proposal doesn't specify how the state must ensure every resident has access to health care, Johnson wrote in a January opinion requested by Greenlick.

"It is worth noting that the proposed amendment does not require the state to provide health care to every resident, but only to provide access to health care that is effective, medically appropriate and affordable," Johnson wrote.

The proposal raises the question of how the state will ensure that every resident has access and how it will define "cost effective" and "affordable," said Bruce Howell, a Portland-based health care attorney and adjunct professor at Salem's Willamette University law school.

"The issue is going to be



Jaime Valdez/Portland Tribune

State Rep. Mitch Greenlick, D-Portland, is the chief sponsor of a ballot referral to amend the state constitution to make access to cost-effective and affordable health care a right.

how are we going to make that work and what does that really mean?" he said.

Oregonians who did not have access to cost-effective and affordable health care could sue the state, he said.

In a letter to lawmakers this month, the nonpartisan League of Women Voters wrote that universal health care needs to be orchestrated at the national level; otherwise, Oregon would be responsible for all of the cost.

"The state of Oregon has insufficient income to support its current responsibilities and cannot provide the added cost of health care coverage for all its residents at this time,"

wrote Norman Turrill, the league's president.

SWEETHEART SPECIALS

Wednesday February 14th for Valentines Day
OPEN 11am-9pm

Serving Dinner 3-9pm featuring...

- Caribbean Seared Halibut
- Steamer Clams
- Lobster Pasta
- NY Strip Steak with Oysters
- Cicilian Chicken

Regular Dinner Menu Also Available



Bigfoot's PUB 'n GRUB

503-738-7009 • 2427 S Roosevelt Hwy 101 South • Next to Motel 6

Warrenton reaches contract agreement with employees

City still in talks with police

By **KATIE FRANKOWICZ**
The Daily Astorian

After lengthy negotiations, Warrenton and the union representing general city employees have reached an agreement.

City Manager Linda Engbretson is still negotiating contracts with the police department, however. Warrenton police officer Tyler Johnston, who is on the bargaining team, spoke during a City Commission meeting Tuesday night. He said they are stuck on wages, lateral hiring, scheduling and compensation for certain additional duties, among other items.

"We really would just like

to be able to move forward and to continue to talk to the city and to get closer to a position that we believe is equitable to all members of our bargaining unit and for the city," Johnston said.

Engbretson reported several highlights about the contracts successfully negotiated, including a 2 percent cost of living adjustment and changes in the Public Works Department. Public works employees who are required to be on call will see a slight increase in what they are paid, and, going forward, the department will have the ability to provide additional hours beyond its usual working hours of 7 a.m. to 3:30 p.m.

Mayor Henry Balensifer thanked Engbretson for her "dedicated hard work."

"I think that we have made

a very amiable agreement that meets both the administration's needs, the city's needs, as well as the workers' needs," he said.

ASTORIA ELKS LODGE #180

150th Anniversary Party

COME CELEBRATE 150 YEARS OF ELKDOM!

Friday, February 16th 6:00pm

"Pacific Rim" Lasagna & Cheese Bread

Dinner \$8 ~ Bingo \$12 & up

Open to the Public

453 11th Street, Astoria • More Info: 503-325-2806

WANTED


Alder and Maple Saw Logs & Standing Timber

Northwest Hardwoods • Longview, WA


Contact: John Anderson • 360-269-2500

Consult a

PROFESSIONAL




JEFFREY M. LEINASSAR
DMD, FAGD



503/325-0310
1414 MARINE DRIVE,
ASTORIA
www.smileastoria.com

Q: Why should I start good hygiene habits?

A: The message is clear: Practicing proper dental care is important in many ways you might not have thought of before. Encourage your family to practice good oral hygiene by brushing after every meal with a fluoride toothpaste, floss daily and using a mouth rinse to kill bacteria. You should also visit a dental professional regularly for cleanings and the prevention and treatment of cavities. Doing so can protect more than just your teeth—it can save your life.



ASTORIA CHIROPRACTIC

Barry Sears, D.C.

503-325-3311
2935 Marine Drive
Astoria, Oregon

Q: Are chiropractors real doctors?

A: Yes, like all other doctors, we undergo four years of graduate school including two years of life science and 2 years of clinical sciences with an internship. The degree conferred after successful completion of schooling is a D.C. or DOCTOR OF CHIROPRACTIC. We are also called chiropractic physicians. Yearly continuing education is required to keep skills up. Our approach is to find the simplest solution with the fewest tests. We are happy to accept new patients.



LEO FINZI

Astorias Best.com



WE MAKE AFFORDABLE SERVICE CALLS TO YOUR HOME OR BUSINESS

M-F 10-6 Sat 11-4
77 11th Street, Suite H
Astoria, OR
503-325-2300

Q: What are ways of watching TV without paying for cable or satellite?

A: Use your internet connection to get Netflix or Hulu for \$7.99/month, or Amazon Video, for \$8.99/month and view movies, tv shows and original content available nowhere else. Sling TV starts @ \$20/month for a good set of channels, then lets you add channels selectively for reasonable prices. DirectTV starts at \$35 per month and delivers a "cable TV" equivalent.