

Walden says new tax overhaul preserves key deductions

By MIKE ROGOWAY

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PORTLAND — Oregon Congressman Greg Walden's office says a new version of the Republican tax overhaul before Congress will preserve some key tax deductions that Oregonians rely on, including a major provision that would allow the state's residents to continue deducting a portion of their state income tax.

Compared with the tax plans that originally passed the House and the Senate, that change alone could be worth hundreds of millions of dollars to Oregonians. Some Oregonians still may pay higher federal taxes under the new plan than they would under current tax rules.

The tax bills originally passed by the House and Senate would have eliminated deductions for state income taxes. Those deductions are especially important to Oregonians, because the state has an unusually high income tax to compensate for the lack of a state sales tax.

Oregonians deducted \$8.5 billion in state and local taxes in 2015, the most recent year for which data is available. Eliminating the income tax deduction could have cost Oregonians hundreds of millions of dollars, which would have partially or completely offset tax cuts in other parts of the bill for the state's residents, according to tax experts.



In this Aug. 23, 2017, file photo, House Speaker Paul Ryan, right, is joined by Rep. Greg Walden, R-Ore., while speaking during a visit to Intel in Hillsboro.

Justin Discigil, Walden's communications director, said the Republican congressman has been working with members of the conference committee, which is reconciling the House and Senate versions. He said Walden pushed them to retain local tax deductions and other provisions of the tax code that many Oregonians favor.

"While we have not seen the actual bill text yet, it is our understanding that some of the changes he has been pushing for have been worked into the final agreement," Discigil said in

an email.

The House and Senate bills allowed taxpayers to deduct up to \$10,000 in local property taxes from their federal taxes. Discigil said Walden's understanding is that a revised version of the bill emerging from conference committee would allow deductions of both property and income taxes, combined, up to that limit.

"While we do not want to rush to judgment - and analyze what is only a partial review of what we believe the final plan will include - Rep. Walden is encouraged that the bill will incorporate

some of the improvements he has worked to include," Discigil said.

Additionally, Discigil said Walden believes the bill emerging from House and Senate negotiators makes other changes the congressman had sought. Those include:

Preserving tax-exempt private activity bonds, which had been eliminated in the first House bill. State and local governments use the bonds to finance affordable housing and other public projects, including roads. Housing advocates had warned that losing the bonds

would exacerbate Oregon's housing crisis.

Retaining a deduction for medical expenses and student loan interest.

Eliminating an alternative minimum corporate tax that was included in prior versions of the tax legislation. Congress is planning to cut the corporate tax rate from 35 percent to 21 percent, but an alternative minimum tax could have reduced the tax savings Intel, Nike and other large companies anticipated.

Other reports indicate the new bill would eliminate a proposed tax on graduate students, which had greatly concerned Oregon's universities.

"Rep. Walden is focusing on the impact of this bill for the middle-class family in his district, where the median household income is \$49,000," Discigil wrote. "Those families will see a significant tax break under our plan, and that has been Rep. Walden's goal from the beginning."

Walden represents the sprawling 2nd Congressional District, 20 counties in central, southern and eastern Oregon.

The tax overhaul bills passed the House and Senate without a single Democratic vote in either chamber, so the Republican majorities are steering the process themselves. Walden is among the most influential Republicans in the House, chairing the

powerful Committee on Energy and Commerce Committee. He's the only Republican from Oregon in Congress.

Democrats, including Gov. Kate Brown and the rest of the state's congressional delegation, remain firmly opposed to the tax overhaul. They argue that it would disproportionately benefit wealthy Americans, increase the federal deficit and reduce funds available for social programs.

Allowing deductions for state income taxes would be valuable for many Oregonians, but the \$10,000 limit on income and property taxes could still hit some taxpayers. Reports indicate Republicans are planning to lower the top federal tax rate to preserve savings for the wealthiest taxpayers.

Some middle-income taxpayers would no longer itemize their taxes under the new legislation because the overhaul would nearly double the standard deduction taxpayers can take, to \$24,000 for couples. Those savings would be partially offset by the loss of the personal exemption and other deductions.

The congressional tax overhaul appears on track for passage in the House. But in the Senate, where Republicans have just a two-vote majority, party leaders are still trying to lock down votes to ensure approval.

WHISKY: Existing brand agreements still in place

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Whisky now sells the equivalent of 3 million liters per year. According to a Round-Up financial statement, the rodeo made \$1.7 million in revenue from Pendleton Whisky royalties in 2016.

"The existing brand agreements are still in place," Thomas said.

Besides being a ubiquitous presence at the rodeo, Pendleton

Whisky also plays a prominent role as title sponsor of the Round-Up Grounds' second largest event. Doug Corey, the co-organizer of Pendleton Whisky Music Fest, said he didn't know how Beclé's acquisition would affect the event, although organizers are still planning to stage a concert in July.

Hood River Distillers will continue to bottle Pendleton on behalf of Proximo.

"We are very pleased with how

the Pendleton Whisky brand has grown over the past 15 years," Hood River Distillers CEO Ronald Dodge said in a statement. "This is a tremendous opportunity for the brand. Proximo has the resources, the market reach and the commitment to turn our dreams for the Pendleton brand into reality."

The companies expect the deal to close during the first quarter of 2018, subject to regulatory approval and closing conditions.

LISCOM: Served as both superintendent and principal

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"There really is not a big story or scoop to tell — over the last few months it has become apparent that I do not share the same philosophy and beliefs as the board members," Liscom said in her brief email. She thanked teachers for allowing her to serve the community.

School board chair Scott Morris said he didn't totally expect Liscom's resignation, but that he had been aware that she didn't see eye-to-eye with the board.

"I don't know," he said. "I think there was just some different feelings on the board. It was just time."

Morris said the board was scheduled to have an executive session on Wednesday to discuss an investigation into a complaint against Liscom, but the wrong policy number was listed on the agenda, so they postponed the executive session until next week.

At that point in the meeting, he said, Liscom handed in her resignation.

Morris said they will likely still

discuss the findings of the investigation at the executive session next week, just to complete it.

Morris said the board will also set a timeline fairly soon for hiring Liscom's replacement. Liscom served as both superintendent and principal of Stanfield Elementary School — a role for which Morris said they would likely discuss hiring two people.



Liscom

"I can't speak for the whole board, but I'd say that's what we should do," he said. "It's a hard thing to fill — a superintendent and a grade school principal."

Liscom was hired in Stanfield in 2014. She has worked as a teacher and administrator in Athena-Weston and Pendleton.

The school district faced criticism this summer after it told residents that due to an accounting error it hadn't been collecting enough toward a school levy. Liscom, who said the mistake had been made before she was hired, sent an informal letter of explanation in August to taxpayers saying their rate would increase.

PHS: Served food at Round-Up's 1910 room

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oven, a stove, a grill, a griddle, a smoker and deep fryers.

The truck has already been put to use at events like Oktoberfest and the Round-Up. When the culinary program acted as the gourmet food service for the Round-Up's 1910 Room, Swaggart said 12 students were in the truck simultaneously — handling everything from cooking to cashing to dishwashing.

Swaggart is taking it a little more slowly with the food truck when it comes to warming station service. The culinary program served the warming station once a week last year by preparing the food beforehand, because of the station's limited cooking space.

Although Swaggart is considering a more ambitious holiday dinner next week, she decided to stick with prepared food for Wednesday's meal of macaroni and cheese, salad, applesauce and yogurt parfait.

Swaggart made accommodations for some of the diners — one preferred to eat his food out of a container with his own utensils while another needed the bacon chunks in the macaroni removed because of an aversion to pork — and then prompted Saxton and fellow volunteer Bella Baumgartner to open the food truck.

"Alright, let's go," she told her students. "Open for business."

A queue of 10 warming station clients gather in front of the truck, the plastic utensils and napkins in their hand acting as a ticket. Swaggart described the



Staff photo by E.J. Harris
Guests line up at the Pendleton Warming Station to get a meal from the Pendleton High School culinary program's food truck on Wednesday in Pendleton.

warming station diners as "genuinely kind," and they exchange jokes and pleasantries as the residents accept their meals.

Warming station executive director Chris Clemons opened the door for the lodgers as they made their way into the dining room.

"It almost brings tears to my eyes, to see them parked out here," he said.

The warming station always offers food to those who stay there. Big John's Hometown Pizza delivers a weekly donation and professional caterers often deliver their surplus, Clemons said.

But the food truck and culinary program offer some additional friendly faces besides the volunteers who already staff the warming station.

The new food truck garnered a thumbs up from the Round-Up as well.

Round-Up Publicity Director Randy Thomas said the kitchen in the food truck made the 1910 Room run smoother than it had in 2016, when the chefs and students made most of the food at the Pendleton High School kitchen and then plated it at a rented trailer in the Round-Up Grounds.

Swaggart is still thinking of ways to utilize the truck. She said it could be used for choir concerts at the high school. Instead of the usual bottled drinks and snacks, the culinary program could offer a fancy dessert.

She's explicit that whatever event the high school caters, that it won't encroach on private enterprise.

"It's important for us not to be seen as competition," she said.

After the initial line, only a few more lodgers trickled in, allowing the original group to come back for seconds. Swaggart and the girls closed down the truck, took the leftovers into the warming station for any late-night visitors and bid the volunteers goodbye.

Both Saxton and Baumgartner said they enjoyed the experience. Swaggart said the volunteer opportunities are popular enough with students that she can bring back a different group of helpers each week throughout the warming station season.

The trio cleaned up the truck before Swaggart drove it back to a shed near the high school that was built just for the vehicle.



Staff photo by E.J. Harris
Yogurt parfait sits ready to be served in the Pendleton High School culinary program's food cart Wednesday in Pendleton.

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NAKAPALAU: Council adopted social media policy unanimously

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Another document states that in 2007 it was ordered that "the defendant's civil rights lost by operation of law upon conviction be hereby restored."

Nakapalau was sworn in to the Echo city council in January after earning eight write-in votes for an empty seat. He spoke at Stanfield Secondary School's assembly the week of Veteran's Day as an Army veteran from the Vietnam War.

Nakapalau did not return a phone message left Thursday night and has not responded to previous attempts by the *East Oregonian* to reach him after his comments to Wilson. After those comments came to light, he attended a city council meeting on Oct. 19 in which Councilor Robert Harris asked that the council make a public apology for Nakapalau's words and work on adopting a social media policy.

Nakapalau did not comment during the meeting. The city issued a public apology afterward referencing "comments made by a councilor in a Facebook dialog" and stating that the city did not endorse discrimination or disparaging remarks against someone based on their sexual orientation, race, etc.

An ethics policy and a social media policy were both unanimously adopted by the Echo city council on Thursday night. The social media policy tells councilors and staff that they are "solely responsible for what you post online."

"Posting inappropriate remarks about co-workers, council members or members of the public, which may be viewed as discriminatory, harassing, bullying, malicious,

obscene, threatening violence, intimidating, comments meant to intentionally harm someone's reputation, retaliation to what you preserve (sic) to be another's negative post, and similar inappropriate or unlawful conduct as a representative of the City of Echo will not be tolerated and may be subject to disciplinary action up to or including dismissal if you are a city Employee," the policy reads.

It also asks people to be mature, fair and accurate in their posts.

Both city administrator Diane Berry and city attorney Bill Kuhn stressed that it was only city employees, not public officials, that could be removed from their position with the city if they violate the policy.

"The only recourse for removing a council member is through the recall process," Berry said. "Oregon does not have an impeachment process for local officials."

The ethics policy covers Oregon law about conflicts of interest and other issues, and asks that councilors realize their actions affect the city, possibly for years or generations to come. It also asks them to be aware of how their conversations and appearance outside of council meetings reflects on the city.

"Do not speak for the council to citizens or the press unless you have been given that duty or responsibility specifically by the council as a whole through a council motion," the policy states. "The council is a body and you as a council member have no power or jurisdiction outside the body unless specifically given by the council."

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