



**ROCKETS,
MUSTANGS WIN
DISTRICT TITLES**
PREP HOOPS/1B



**WIND
KILLS
POWER**
REGION/3A

EAST OREGONIAN

TUESDAY, FEBRUARY 20, 2018

142nd Year, No. 89 **WINNER OF THE 2017 ONPA GENERAL EXCELLENCE AWARD** One dollar

Committee to take another pass at tax plan

By **CLAIRE WITHYCOMBE**
Capital Bureau

SALEM — A slimmed-down version of one of the short session’s key tax bills is up for a committee vote Tuesday.

The Senate Finance and Revenue committee is expected to consider significant

edits to Senate Bill 1528, which would tweak state taxes on “pass-through” businesses. The bill is one of two pieces of legislation aimed at tempering the effects of federal tax reform on Oregon’s budget.

Since 2013, the state has had six tax brackets for owners of certain businesses

— such as LLCs and S-corporations — whose business income “passes through” to their personal income taxes.

The latest amendment to the bill would do away with provisions to reduce the number of brackets to two, but would still disconnect Oregon from a new deduction in the federal Tax Cuts

and Jobs Act signed into law by the president on Dec. 22.

For the most part, Oregon income tax law is based on federal code. Tax breaks offered in the federal reform bill would be available on state tax returns unless those provisions are specifically disconnected from Oregon law.

Under the federal reform, pass-through entities can deduct 20 percent of their earnings from their federal taxable income. The state bill prevents owners of pass-through businesses taking the same 20 percent deduction from their state taxes. Allowing the state deduction would reduce state

tax collections.

The amended bill also keeps a provision creating a tax credit for contributions to an Oregon Opportunity Grant Fund, which would provide need-based financial aid to Oregon college students.

State Sen. Mark Hass,

See TAX/8A



Staff photo by E.J. Harris

Winter’s last hurrah?

Winter seems to have returned to the region this weekend as snow began to fall Sunday evening in Pendleton with below freezing temperatures continuing into Monday. More snow is in the forecast for later in the week, according to the National Weather Service.

PENDLETON

Motorbike events throttled back

By **ANTONIO SIERRA**
East Oregonian

This year’s Pendleton Bike Week will come with a little less rumble.

Ron Dillon, the Boise-based organizer and promoter of the Thunder in the Blues short-track motorcycle race, said the race won’t return



EO file photo

A rider takes off up hill during the first day of the 2016 Nitro in the Blues hill climb in Rieth.

to the Round-Up Grounds in 2018. Additionally, Nitro in the Blues, a motorcycle hill climb in Rieth, will be moved back a week to Aug. 3-5 so it no longer coincides with Bike Week.

In an interview Monday, Dillon said the moves came after lackluster attendance numbers for the two events in 2017. Pendleton Bike Week, meanwhile, saw a 25 percent increase in attendance in 2017, with about 20,000 estimated participants.

When Dillon started Nitro in the Blues at the second annual Pendleton Bike Week in 2016 and added Thunder

in the Blues a year later, the idea was that a significant number of bikers in town for the motorcycle rally would migrate from the Pendleton Convention Center to the hill climb and short-track races.

But the overlap between events never materialized, according to Dillon.

Dillon said Nitro in the Blues’ attendance shrunk from 1,200 in 2016 to 1,000 in 2017. Thunder in the Blues ticket sales were similarly disappointing.

Among last year’s spectators, Dillon said only

See MOTORBIKE/8A

HEPPNER

After burglary sentencing, co-defendants change plea

By **PHIL WRIGHT**
East Oregonian

After being found guilty by a Morrow County jury and handed a prison sentence of almost 13 years, Daniel Faustino Arce asked to speak to his two co-defendants.

District Attorney Justin Nelson said when they were done talking, Desirea Devin of Heppner and Vera Rose Smith of Warm Springs decided to take plea deals instead of going to trial.

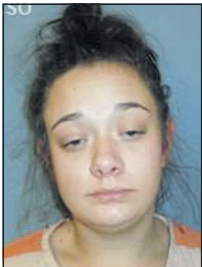
Nelson wasn’t privy to the conversation after the Feb. 13 sentencing, but said Arce cared about Devin and considered Smith a friend, so perhaps he did not want them to suffer his fate.

Still, all three are prison bound.

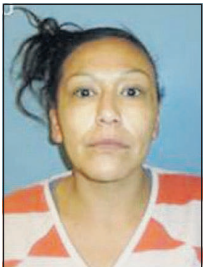
The Morrow County Sheriff’s Office and Oregon State Police arrested Arce, 29, of Portland, and Devin, 23, of Heppner, after a crime spree Dec. 17 in southern Morrow County that involved burglary, armed robbery and firing a gun at victim Roger Britt.



Arce



Devin



Smith

The couple also stole a vehicle and tried to ditch it on TREO Ranches, private property outside Heppner that offers pheasant and chukar hunting. Arce and Devin tried to set fire to the vehicle, according to court documents, and the commotion drew the attention of a crew of pheasant hunters who soon detained them at gunpoint until law enforcement arrived.

Nelson said Smith was involved in the beginning of the crimes, then broke off. Pendleton police caught her on Dec. 19.

The state charged Arce with 14 counts, but at trial merged three counts under first-degree robbery. Circuit Judge Dan Hill

also dismissed three other counts.

First-degree robbery carries a mandatory minimum prison sentence of seven years, six months under Oregon’s Measure 11. Most defendants up against a Measure 11 charge, Nelson said, waive the right to trial within 60 days so the defense team has time to conduct its investigation. Not so with Arce.

Circuit court records show the jury delivered unanimous guilty verdicts on eight counts against Arce and split 10-2 on the first-degree robbery.

Nelson also said Arce wanted his sentencing right then. Again, most people ask

See BURGLARY/8A



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