

Representative Deborah Boone (HD-32)

P R E S S R E L E A S E

For Immediate Release

March 3, 2005

Contact: Patrick Capper (503.986.1432)

Boone votes to lower unemployment insurance tax

North Coast legislator acts to lighten burden on business

SALEM—Representative Deborah Boone (D-North Coast) helped pass a hefty reduction to the unemployment insurance tax Tuesday, lowering the tax that employers pay by 12 percent. The bill, HB 2127, won unanimous approval in the House, and now goes to the state Senate.

“It will save \$177 million for Oregon employers in the next biennium,” Boone said. “That’s a substantial tax cut. I’m glad to say we can prudently make this change without shortchanging anyone in Oregon—especially those who have lost their jobs.”

House Bill provides a new way of calculating the unemployment insurance taxes that businesses pay, enabling the state to cut the tax rate by more than \$200 million over the next four years. The bill will result in actual tax reductions of \$30 million-\$35 million in 2005-07, and \$170 million to \$195 million in 2007-09. Because Oregon’s Unemployment Insurance Trust Fund contains over \$1 billion, the savings to employers does not threaten the state’s ability to pay unemployment benefits.

“When I was campaigning for the Legislature last year, businesses along the North Coast asked me what I could do to help them stay in business and keep meeting payrolls,” Boone said. “They advised me not to cut education. I told them I would do everything I could to lower their cost of doing business, while trying to support the programs and services that maintain our high quality of life. This bill meets all those important requirements.”

Boone said the Legislature can lower the tax in a way that keeps the unemployment trust funds solvent without taking any money from education.

-xxx-

[See accompanying “Backgrounder”]