

Scenario 1 (effective 1-1-2011):

- (1) 8.5% sales tax rate, with exemptions
- (2) Eliminate the personal income tax (\$6,837 million in 2011)
- (3) Estimated sales taxes of \$6,837 million (2011)

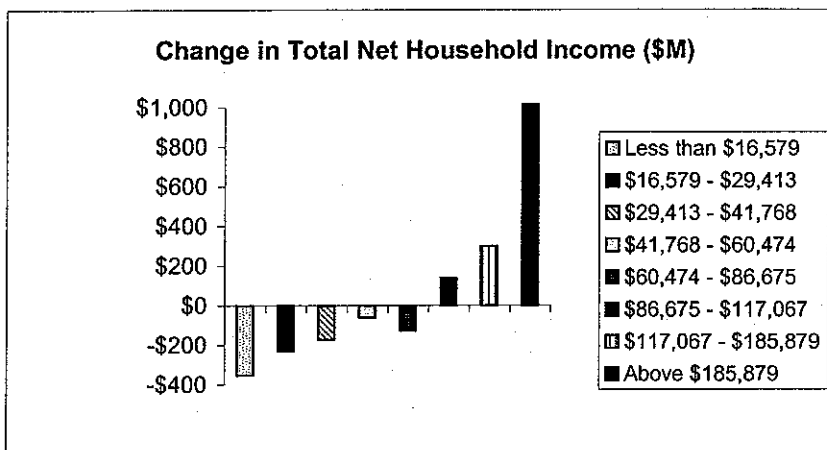
Sales Tax and Personal Income Tax Swap				
2011 Levels				
	Baseline	New Equilibrium	Change From Baseline	Percent Change
Private Sector				
Personal Income (\$M)	160,400	157,940	-2,460.2	-1.5%
Employment	2,383,753	2,507,368	123,616	5.2%
Population	3,957,000	3,996,772	39,772	1.0%
Investment (\$M)	17,754	17,886	132.8	0.7%
Wage Index	100.0	94.2	-5.8	-5.8%
Return to Capital	100.0	100.8	0.8	0.8%
Price Levels	100.0	101.6	1.6	1.6%
Public Sector				
State Spending (\$M)	22,084.7	22,168.9	84.2	0.4%
GF Revenue (\$M)	7,098.4	7,127.7	29.2	0.4%
OF Revenue (\$M)	14,986.3	15,041.3	55.0	0.4%
Local Govt Revenue (\$M)	12,015.2	12,182.7	167.5	1.4%
Federal Tax Paid by Oregonians (\$M)	32,145.8	33,214.4	1,068.6	3.3%

Static Revenue Impact (\$ Millions)	\$0
Dynamic Revenue Impact (\$ Millions)	\$252
Net Revenue Impact (\$ Millions)	\$252

General Fund Change (\$ Millions)	\$29
Other Funds Change (\$ Millions)	\$55
Local Revenue Change (\$ Millions)	\$168

Total Net Household Income

	Baseline (\$M)	New Equilibrium (\$M)	Difference (\$M)	% Difference	Change in Number of Hholds	Mean HH Income Change (\$)
Less than \$16,579	\$4,414	\$4,063	-\$351	-7.9%	-782	-\$1,661
\$16,579 - \$29,413	\$9,876	\$9,646	-\$230	-2.3%	905	-\$1,463
\$29,413 - \$41,768	\$14,142	\$13,970	-\$172	-1.2%	1,547	-\$1,626
\$41,768 - \$60,474	\$20,577	\$20,517	-\$60	-0.3%	4,299	-\$1,533
\$60,474 - \$86,675	\$33,115	\$32,988	-\$127	-0.4%	3,358	-\$2,009
\$86,675 - \$117,067	\$17,876	\$18,013	\$138	0.8%	2,587	-\$756
\$117,067 - \$185,879	\$14,947	\$15,246	\$299	2.0%	1,805	\$783
Above \$185,879	\$11,423	\$12,476	\$1,053	9.2%	2,118	\$11,677
TOTAL	\$126,371	\$126,921	\$550	0.4%	15,837	



Scenario 2 (effective 1-1-2011):

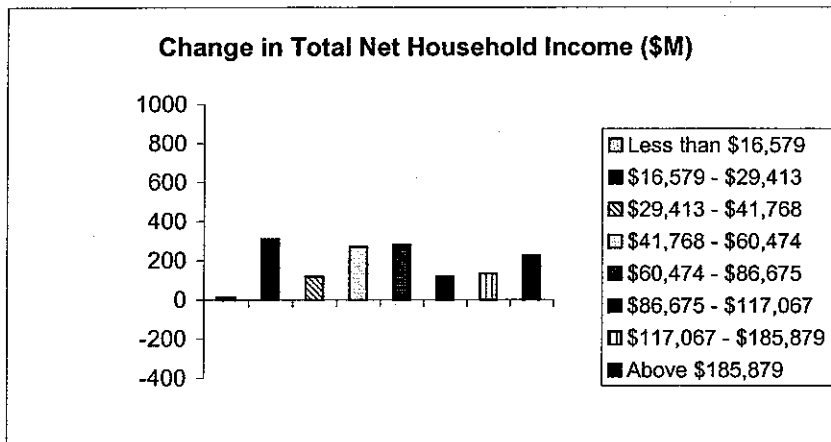
- (1) Reduce personal income tax rates to 2-4-6-8% (8% starts at \$75,000 if single)
- (2) Increase earned income credit to 50% of federal EIC
- (3) Eliminate corporate income tax
- (4) Create 1.31% gross receipts tax
- (5) Create a \$50,000 homestead property tax exemption

Reduce PIT, Increase EIC, Add Homestead Exemption, Swap CIT for GRT				
2011 Levels				
	Baseline	New Equilibrium	Change From Baseline	Percent Change
Private Sector				
Personal Income (\$M)	\$160,400	\$160,531	\$131	0.1%
Employment	2,383,753	2,477,008	93,256	3.9%
Population	3,957,000	3,997,462	40,462	1.0%
Investment (\$M)	\$17,754	\$17,903	\$150	0.8%
Wage Index	100.0	96.2	-3.8	-3.8%
Return to Capital	100.0	100.9	0.9	0.9%
Price Levels	100.0	100.4	0.4	0.4%
Public Sector				
State Spending (\$M)	\$22,085	\$22,785	\$701	3.2%
GF Revenue (\$M)	\$7,098	\$7,728	\$630	8.9%
OF Revenue (\$M)	\$14,986	\$15,057	\$71	0.5%
Local Govt Revenue (\$M)	\$12,015	\$11,732	-\$283	-2.4%
Federal Tax Paid by Oregonians (\$M)	\$32,146	\$32,716	\$570	1.8%

Static Revenue Impact (\$ Millions)	\$150
Dynamic Revenue Impact (\$ Millions)	\$267
Net Revenue Impact (\$ Millions)	\$417
General Fund Change (\$ Millions)	\$630
Other Funds Change (\$ Millions)	\$71
Local Revenue Change (\$ Millions)	-\$283

Total Net Household Income

	Baseline (\$M)	New Equilibrium (\$M)	Difference (\$M)	% Difference	Change in Number of Hholds	Mean HH Income Change (\$)
Less than \$16,579	\$4,414	\$4,429	\$15	0.3%	480	\$27
\$16,579 - \$29,413	\$9,876	\$10,185	\$309	3.1%	5,156	\$359
\$29,413 - \$41,768	\$14,142	\$14,261	\$119	0.8%	1,913	-\$107
\$41,768 - \$60,474	\$20,577	\$20,849	\$272	1.3%	3,670	-\$2
\$60,474 - \$86,675	\$33,115	\$33,397	\$281	0.8%	2,659	-\$97
\$86,675 - \$117,067	\$17,876	\$17,995	\$119	0.7%	1,118	\$49
\$117,067 - \$185,879	\$14,947	\$15,080	\$134	0.9%	688	\$475
Above \$185,879	\$11,423	\$11,647	\$224	2.0%	429	\$2,621
TOTAL	\$126,371	\$127,843	\$1,473	1.2%	16,113	



Scenario 3 (effective 1-1-2011):

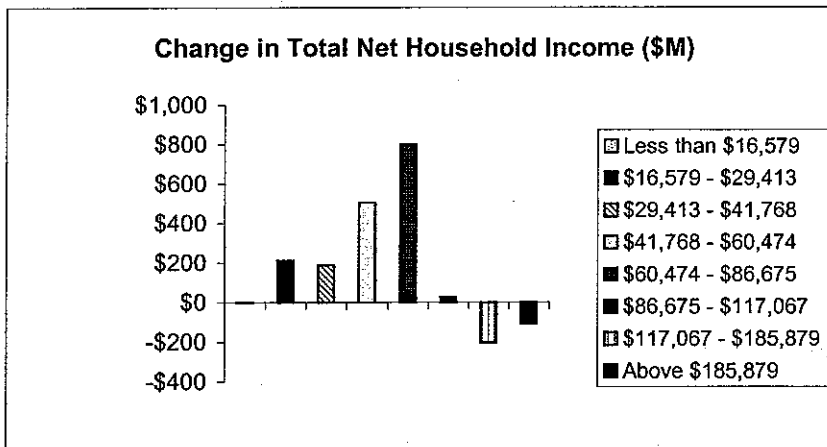
- (1) Double the personal income tax brackets (to \$6,400 & \$16,100 if single)
- (2) Create a \$750,000 homestead exemption
- (3) Create a 2.7% sales tax, with exemptions

Reduce PIT, Add Sales Tax & Homestead Exemption				
2011 Levels				
	Baseline	New Equilibrium	Change From Baseline	Percent Change
Private Sector				
Personal Income (\$M)	\$160,400	\$160,854	\$454	0.3%
Employment	2,383,753	2,461,386	77,633	3.3%
Population	3,957,000	3,992,951	35,951	0.9%
Investment (\$M)	\$17,754	\$17,882	\$129	0.7%
Wage Index	100.0	97.3	-2.7	-2.7%
Return to Capital	100.0	100.8	0.8	0.8%
Price Levels	100.0	100.6	0.6	0.6%
Public Sector				
State Spending (\$M)	\$22,085	\$24,041	\$1,956	8.9%
GF Revenue (\$M)	\$7,098	\$8,980	\$1,882	26.5%
OF Revenue (\$M)	\$14,986	\$15,061	\$75	0.5%
Local Govt Revenue (\$M)	\$12,015	\$10,561	-\$1,454	-12.1%
Federal Tax Paid by Oregonians (\$M)	\$32,146	\$32,537	\$391	1.2%

Static Revenue Impact (\$ Millions)	\$170
Dynamic Revenue Impact (\$ Millions)	\$332
Net Revenue Impact (\$ Millions)	\$502
General Fund Change (\$ Millions)	\$1,882
Other Funds Change (\$ Millions)	\$75
Local Revenue Change (\$ Millions)	-\$1,454

Total Net Household Income

	Baseline (\$M)	New Equilibrium (\$M)	Difference (\$M)	% Difference	Change in Number of Hholds	Mean HH Income Change (\$)
Less than \$16,579	\$4,414	\$4,413	-\$1	0.0%	299	-\$35
\$16,579 - \$29,413	\$9,876	\$10,088	\$212	2.1%	3,280	\$312
\$29,413 - \$41,768	\$14,142	\$14,330	\$188	1.3%	2,003	\$253
\$41,768 - \$60,474	\$20,577	\$21,082	\$505	2.5%	4,749	\$616
\$60,474 - \$86,675	\$33,115	\$33,917	\$802	2.4%	4,445	\$1,133
\$86,675 - \$117,067	\$17,876	\$17,903	\$28	0.2%	369	-\$58
\$117,067 - \$185,879	\$14,947	\$14,743	-\$203	-1.4%	-569	-\$1,219
Above \$185,879	\$11,423	\$11,316	-\$107	-0.9%	-260	-\$1,092
TOTAL	\$126,371	\$127,793	\$1,423	1.1%	14,317	



Scenario 4 (effective 1-1-2011):

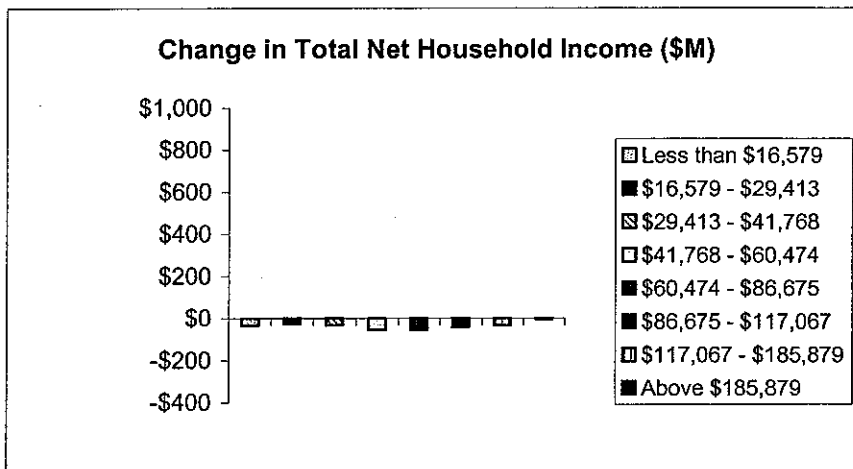
- (1) Eliminate corporate income tax (\$487 million in 2011)
- (2) Create a franchise tax (\$987 million in 2011)

Franchise Tax and Corporate Income Tax Swap				
2011 Levels				
	Baseline	New Equilibrium	Change From Baseline	Percent Change
Private Sector				
Personal Income (\$M)	\$160,400	\$160,729	\$329	0.2%
Employment	2,383,753	2,385,593	1,840	0.1%
Population	3,957,000	3,958,895	1,895	0.0%
Investment (\$M)	\$17,754	\$17,818	\$64	0.4%
Wage Index	100.0	100.0	0.02	0.0%
Return to Capital	100.0	100.3	0.28	0.3%
Price Levels	100.0	99.92	-0.08	-0.1%
Public Sector				
State Spending (\$M)	\$22,085	\$22,555	\$470	2.13%
GF Revenue (\$M)	\$7,098	\$7,570	\$471	6.64%
OF Revenue (\$M)	\$14,986	\$14,985	-\$1	-0.01%
Local Govt Revenue (\$M)	\$12,015	\$12,048	\$33	0.27%
Federal Tax Paid by Oregonians (\$M)	\$32,146	\$32,266	\$120	0.37%

Static Revenue Impact (\$ Millions)	\$500
Dynamic Revenue Impact (\$ Millions)	\$3
Net Revenue Impact (\$ Millions)	\$503
General Fund Change (\$ Millions)	\$471
Other Funds Change (\$ Millions)	-\$1
Local Revenue Change (\$ Millions)	\$33

Total Net Household Income

	Baseline (\$M)	New Equilibrium (\$M)	Difference (\$M)	% Difference	Change in Number of Hholds	Mean HH Income Change (\$)
Less than \$16,579	\$4,414	\$4,381	-\$33	-0.7%	42	-\$166
\$16,579 - \$29,413	\$9,876	\$9,849	-\$26	-0.3%	66	-\$159
\$29,413 - \$41,768	\$14,142	\$14,111	-\$31	-0.2%	76	-\$214
\$41,768 - \$60,474	\$20,577	\$20,525	-\$53	-0.3%	142	-\$260
\$60,474 - \$86,675	\$33,115	\$33,060	-\$55	-0.2%	172	-\$296
\$86,675 - \$117,067	\$17,876	\$17,834	-\$41	-0.2%	112	-\$334
\$117,067 - \$185,879	\$14,947	\$14,913	-\$34	-0.2%	81	-\$381
Above \$185,879	\$11,423	\$11,419	-\$5	0.0%	63	-\$287
TOTAL	\$126,371	\$126,092	-\$278	-0.2%	755	



Scenario 5 (effective 1-1-2011):

- (1) Eliminate corporate income tax (\$487 million in 2011)
- (2) Create a 0.3% value added tax (\$487 million in 2011)

Value Added Tax and Corporate Income Tax Swap				
2011 Levels				
	Baseline	New Equilibrium	Change From Baseline	Percent Change
Private Sector				
Personal Income (\$M)	\$160,400	\$160,332	-\$68	0.0%
Employment	2,383,753	2,382,936	-817	0.0%
Population	3,957,000	3,956,605	-395	0.0%
Investment (\$M)	\$17,754	\$17,795	\$42	0.2%
Wage Index	100.0	99.8	-0.22	-0.2%
Return to Capital	100.0	100.2	0.22	0.2%
Price Levels	100.0	99.95	-0.05	0.0%
Public Sector				
State Spending (\$M)	\$22,085	\$22,071	-\$14	-0.06%
GF Revenue (\$M)	\$7,098	\$7,087	-\$11	-0.16%
OF Revenue (\$M)	\$14,986	\$14,984	-\$3	-0.02%
Local Govt Revenue (\$M)	\$12,015	\$12,026	\$11	0.09%
Federal Tax Paid by Oregonians (\$M)	\$32,146	\$32,172	\$26	0.08%

Static Revenue Impact (\$ Millions)	\$0
Dynamic Revenue Impact (\$ Millions)	-\$3
Net Revenue Impact (\$ Millions)	-\$3
General Fund Change (\$ Millions)	-\$11
Other Funds Change (\$ Millions)	-\$3
Local Revenue Change (\$ Millions)	\$11

Total Net Household Income

	Baseline (\$M)	New Equilibrium (\$M)	Difference (\$M)	% Difference	Change in Number of Hholds	Mean HH Income Change (\$)
Less than \$16,579	\$4,414	\$4,411	-\$3	-0.1%	8	-\$14
\$16,579 - \$29,413	\$9,876	\$9,870	-\$6	-0.1%	-3	-\$31
\$29,413 - \$41,768	\$14,142	\$14,132	-\$10	-0.1%	-10	-\$52
\$41,768 - \$60,474	\$20,577	\$20,558	-\$19	-0.1%	-44	-\$66
\$60,474 - \$86,675	\$33,115	\$33,074	-\$41	-0.1%	-75	-\$129
\$86,675 - \$117,067	\$17,876	\$17,859	-\$17	-0.1%	-25	-\$92
\$117,067 - \$185,879	\$14,947	\$14,932	-\$15	-0.1%	-24	-\$109
Above \$185,879	\$11,423	\$11,433	\$10	0.1%	18	\$116
TOTAL	\$126,371	\$126,269	-\$101	-0.1%	-156	

