



## OREGON HOUSE REPUBLICANS

**FOR IMMEDIATE RELEASE**

March 26, 2009

**Contact: Nick Smith**

503-986-1351

### **ELIMINATING TAX CREDITS WOULD RAISE TAXES ON OREGONIANS**

*HB 2067 Targets Oregonians' Personal Exemption Credit, Others*

SALEM—Oregonians of all income levels will face higher income taxes if the Legislature passes bills to limit or eliminate tax credits and tax incentives. Oregonians' personal income [increased less](#) than the national average in 2008, yet they could face higher income taxes if bills being considered by the House Revenue Committee are passed into law.

“Oregon’s economy is in deep recession, yet the Legislature is working to remove tax credits that many taxpayers and small businesses depend on,” said House Republican Leader Bruce Hanna (R-Roseburg). “These bills enable the Legislature to quietly raise taxes and eliminate incentives that help improve our economy, expand access to education and help us achieve other valuable goals.”

Under Democratic leadership, the House Revenue Committee is actively considering HB 2067 to impose “sunset dates” on all tax expenditures not required by federal law or the Oregon Constitution. In addition to phasing out the personal exemption credit, HB 2067 targets incentives for workforce development, college scholarships, elderly care, long term care insurance, retirement income and credit for expenses in lieu of nursing home care and electronic commerce in enterprise zones.

“HB 2067 and similar bills provide no assurances that tax expenditures will be judged on their merits and renewed,” Rep. Hanna said. “If sunsets are imposed on all tax expenditures, future legislative assemblies will be more likely to simply take the money away from Oregonians. The Legislature does not need a new process for reviewing tax expenditures, because it already has the power to review and eliminate them if they choose to do so.”

Additionally, the House Revenue Committee considered two bills (HJR 27 and HJR 29) to limit personal and corporate income tax expenditures. A second bill (HJR 31) undermines the legislative process by allowing future assemblies to raise taxes by eliminating tax expenditures with simple majority votes.

“During this economic crisis, the Legislature should be exclusively focused on creating jobs not raising taxes,” Rep. Hanna said. “While many inside the Capitol worry about \$4.5 billion in lost revenue, Republicans are more concerned about the fact that this ‘loss’ to government happened only because Oregonians have lost \$45 billion in income. What seems bad to government is in fact dire to Oregonians.”

###