



OREGON HOUSE REPUBLICANS

Main Street Incentive Program

The Main Street Incentive Program would encourage local business and home owners to invest in improvements to their property immediately through a tax credit. The program would limit the amount of the credit to 10-50K for home owners and 25-500K for business owners.

Following completion of the project, property owners would be able to claim 50% of the cost of their project as a tax credit evenly distributed over a five-year period of time. If the project is “green” or focuses on renewable energy alternatives (i.e. solar power), the property owner could claim 100% of the project’s cost. To qualify for the tax credit, projects must begin before September 1, 2009.

PROGRAM HIGHLIGHTS:

- These projects would create immediate local jobs in communities throughout Oregon, with no “priority” for counties represented by powerful legislators. Local property owners would determine where jobs are created, not politicians.
- These projects would increase the value of residential and commercial property throughout the state, consequently increasing property tax revenue for local governments. (On the contrary, the Democrats’ plan makes improvements to buildings that are off the tax rolls.)
- ALL of the money would go directly toward labor and materials for projects. Because the state is not borrowing any money, no taxpayer dollars will be wasted on interest or be an encumbrance on future budgets. Additionally, taxpayer dollars will not be spent on the bureaucracy required to oversee the cumbersome bidding process, vendor preferences and project completion targets outlined in the current bonding package.
- Many local businesses will benefit and be able to grow upon completion of these projects. For example, a retail shopping center with a new parking lot would attract more customers; a hotel with remodeled rooms would attract more visitors.
- In addition to benefits provided to property owners and local governments, the struggling financial sector would benefit as well. Property owners would be borrowing money – not the state – through banks (and oftentimes *local* banks) to finance their projects, providing even greater economic stimulus and more commerce.

COSTS vs. BENEFITS:

The current bonding proposal before the legislature will cost at least \$17-20 million per year without any long term benefit; and a large portion of that goes straight to interest payments, not economic stimulus. But the fact is, any “costs” of the Main Street program are far outweighed by the benefits:

- 1) ALL of the money goes toward stimulus and job creation, increasing the economic value of dollars spent. NONE of the money is wasted on interest payments.
- 2) Jobs created through this program mean people will be earning income and, therefore, paying income taxes. The amount of credits being claimed is directly related to the number of projects being done, and more projects means more jobs.
- 3) The money goes toward long-term capital projects, not light bulb replacement or moss removal. Such projects will increase property values and, in turn, property tax receipts for struggling counties across the state.