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Buckley introduces bill to eliminate certain tax giveaways

Savings would help schools, and pay for more services to seniors, disabled

SALEM—Representative Peter Buckley introduced a bill today that targets specific state tax breaks and giveaways for elimination. Buckley was joined at his Salem announcement today by representatives of the Oregon Revenue Coalition. The bill would get rid of nine unnecessary and wasteful tax credits and deductions that go mainly to special interests—not to ordinary Oregonians. The savings would help pay for essential state services and reduce the burden of these services to average taxpayers.

“Over the years, the legislature has established tax breaks for special interests groups that cost average taxpayers dearly,” Buckley said. “But some of these tax breaks don’t provide any substantial public benefit. The legislature has not subjected them to any real examination since it began enacting them back in the early 1900s.”

Tax breaks, or “tax expenditures,” as the legislature calls them, amount to approximately 50 percent of total state spending. Oregon offers 352 different tax breaks—120 of which relate to property taxes. Another 195 relate to income taxes, and 37 relate to other state programs.

Buckley’s bill would bring approximately \$115 million in additional sustainable revenues to state coffers in 2005-2007 to help pay for services that Oregonians have demanded.

House Republicans say the funds currently available for the 2005-07 budget force lawmakers to choose between cuts to seniors and people with disabilities and Oregon’s schools.

Buckley sees the choice differently. “It’s time for Oregon lawmakers to choose between adequately funding schools, public safety, and services to our seniors and people with disabilities, or continuing these outrageous tax breaks,” he said. “It’s irresponsible to pit our children’s future against the health and wellbeing of our most vulnerable citizens”

Laurie Wimmer-Whelan of the Oregon Revenue Coalition believes these breaks deserve, as Sen. Frist said, “an up-or-down vote”. Wimmer-Whelan continued, “we can only hope that the House takes up consideration of this bill, because the lives of the fragile and vulnerable, and the futures of our children, depend on adequately funded services.”

Buckley’s bill, HB 3490, proposes the following changes to Oregon Tax Code:

- Eliminate Tax Expenditure 1.016—Income Earned Abroad by U.S. Citizens
- Eliminate Tax Expenditure 1.017—Inventory Property Sales-Source Rule Exception
- Eliminate Tax Expenditure 1.022—Extra-Territorial Income Exclusion
- Eliminate Tax Expenditure 1.032—Spread on Acquisition of Stock
- Eliminate Tax Expenditure 1.041 for Corporations—Life Insurance Investment Income

- Eliminate Tax Expenditure 1.050—Gain on Like-Kind Exchanges
- Eliminate Tax Expenditure 1.077—Deferral of Certain Financing Income of Foreign Corps.
- Eliminate Tax Expenditure 1.190—Expatriate Residential Status
- Eliminate Tax Expenditure 2.024—Federal Land Under Recreation Facility