



## OREGON HOUSE REPUBLICANS

**FOR IMMEDIATE RELEASE**

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### **LEGISLATION DENIES OREGON COMPANIES BENEFITS OF FEDERAL STIMULUS PACKAGE**

*HB 2157 Eliminates Incentives for Businesses to Reinvest in Equipment*

SALEM— House Republicans today said legislation to disconnect the state from the federal tax code would deny Oregon companies the benefits of federal stimulus. HB 2157, passed out of the House Revenue Committee this morning on a party-line vote, and would also undermine the federal government's efforts to boost the state's sagging economy.

“It's unwise for the Oregon Legislature to rush this legislation before the federal government even passes an economic stimulus package,” said Rep. Vicki Berger (R-Salem), a member of the House Revenue Committee. “The state should work with President Obama and Oregon's Congressional delegation to improve our economy and create jobs. HB 2157 only undermines these efforts.”

House Republicans said the Legislature should take the time to understand how a federal economic stimulus package would affect Oregon and its businesses. The federal economic stimulus bill includes provisions that give businesses incentives to purchase machinery, equipment, software and other items for sustaining manufacturing and production operations. HB 2157 eliminates these incentives.

“The goal of Congress and the Obama Administration in adopting these provisions is to encourage businesses to reinvest during this deep recession,” said Rep. Scott Bruun (R-West Linn), a member of the House Revenue Committee. “The Legislature should take the time to consider whether the state government shouldn't offer the same incentives in order to retain and create new jobs.”

House Republican Leader Bruce Hanna (R-Roseburg) said Democrats are rushing to pass HB 2157 in order to avoid a supermajority vote, which would be interpreted as a tax increase on businesses. If HB 2157 arrived on the House Floor after a federal stimulus package is signed by President Obama, the measure would require 36 votes for House passage.

“House Republicans, and potentially several Democrats, understand this bill will raise taxes on Oregon companies that are struggling to survive this recession,” Rep. Hanna said. “Passing HB 2157 only four weeks into the 2009 session is an attempt to circumvent the legislative process and the state constitution. It's an example of putting politics ahead of good public policy for Oregon.”

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