



OREGON HOUSE REPUBLICANS

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HOUSE VOTES TO UNDERMINE OBAMA'S ECONOMIC STIMULUS PLAN; PASSES PREEMPTIVE TAX INCREASE ON BUSINESSES

HB 2157 Eliminates Incentives for Businesses to Reinvest in Equipment

SALEM— House Republicans today opposed legislation that would undermine President Obama's economic stimulus plan and preemptively raise taxes on Oregon businesses. HB 2157 disconnects the state from the federal tax code, and the measure will likely eliminate state incentives for businesses to invest and re-invest during an economic recession.

“We will have disagreements with President Obama, but we share his belief that Oregon businesses should have incentives to invest in equipment, machinery and other goods,” said House Republican Leader Bruce Hanna (R-Roseburg). “Tax incentives such as extending bonus depreciation rules would enable businesses to free up resources to create and retain jobs. HB 2157 only makes it more difficult for Oregon to reverse this economic recession.”

Rep. Scott Bruun (R-West Linn), member of the House Revenue Committee, said the state has commonly adjusted its connection to the federal tax code but has retained provisions that are beneficial to the state's economy.

“During the last budget crisis in 2001-03, the Legislature retained provisions of the federal tax code that are important for the businesses in our state,” Rep. Bruun said. “Rather than deliberating on the many merits of Oregon's connection to the tax code, the Legislature is now rushing to disconnect and make our tax system more confusing. HB 2157 will only increase the costs of doing business in Oregon.”

Rep. Matt Wingard (R-Wilsonville) noted that the Legislature is rushing to pass HB 2157 before a federal stimulus package is even signed by the president.

“We need to give President Obama and Oregon's Congressional delegation a chance to develop a federal stimulus plan that works for our state,” Rep. Wingard said. “Rather than waiting for the federal package to become law, our state Democratic leaders are rushing HB 2157 through the process. This is not the right way to develop sound economic and tax policy for our state.”

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