



OREGON HOUSE REPUBLICANS

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DEMOCRATS PROPOSE TAX INCREASES ON PERSONAL INCOME, SENIOR CITIZENS, SMALL BUSINESSES

Legislative Concepts Phase Out Tax Credits for Rural Economic Development, Health Care

SALEM— Democrats last week proposed tax increases on personal income, senior citizens, small businesses, and health care providers. They may also seek to eliminate dozens of tax credits that promote economic development and services to seniors and other vulnerable Oregonians.

The measures were adopted last week as bills sponsored by the Democrat-controlled House Revenue Committee. The bills will be formally introduced when the new Legislature convenes in January.

“Democrats quietly advanced these bills on the same day the Legislature received an alarming economic and revenue forecast,” said House Republican Leader Bruce Hanna (R-Roseburg). “The session hasn’t even started, and Oregonians are already facing dozens of tax increases. During this painful economic recession, nobody’s pocketbooks will be safe next year.”

The Democrat-controlled committee advanced measures to raise personal income taxes by creating a new 10 percent tax bracket (LC 1944), limiting the federal tax subtraction to \$3,000 (LC 1721), and phasing out the personal exemption credit (LC 1305).

Democrats have also proposed legislation to increase the corporate minimum tax, and potentially eliminate tax credits for workforce development, college scholarships and electronic commerce in enterprise zones (LC 1305).

“Rural Oregon depends on the state’s enterprise zone program to promote economic development,” Rep. Hanna said. “Eliminating these important tax credits would only deepen our economic recession.”

To raise taxes on seniors, Democrats proposed capping the elderly medical deduction (LC 1309) as well as phasing-out tax credits for elderly care, long term care insurance, retirement income and credit for expenses in lieu of nursing home care (LC 1305). The Democratic legislation would also create a new tax on health care providers (LC 1720), and potentially eliminate tax credits for doctors serving rural Oregonians (LC 1305).

“We can’t protect Oregon’s senior citizens by raising their taxes and making it more expensive for them to receive care,” Rep. Hanna said. “In addition, we can’t reduce the costs of health insurance by taxing providers and making health care more expensive for rural Oregonians.”

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