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Republicans push for tax reforms *Capital gains tax reform leads to job creation*

Salem, OR – The Senate Finance and Revenue Committee heard several bills Wednesday that would reduce the rate at which Oregon taxes income from investments. Senate Republicans have been pushing for significant reform to the capital gains tax as a way of empowering businesses to grow and create jobs.

“Relaxing capital gains taxes will increase investment and spur the creation of jobs in Oregon,” said Senator Alan Olsen (R-Canby). “Oregon’s high capital gains tax drives businesses and investment outside of our borders to states with more welcoming tax structures. A reduction of the capital gains rate will help create a place in our own backyard where businesses and families can grow and prosper.”

At 11 percent, Oregon has the highest capital gains tax rates in the nation. High capital gains taxes have been identified as a chief enemy of business expansion and growth. Compared with other states, Oregon’s tax rate is transparently uncompetitive and forces would-be entrepreneurs and job-creators to other states. Neighboring states have significantly lower capital gains tax rates or, like Washington, no capital gains tax at all. Any revenue lost by a reduction in the capital gains tax would be recuperated in the long term through the income tax collected from new jobs.

Olsen testified in favor of Senate Bill 883, which would cut Oregon’s current capital gains tax rate in half. Senator Jason Atkinson (R-Central Point) testified on two similar bills he introduced, SB 714 and SB 715.

“Lowering the capital gains tax is like hanging a big sign around the state that says ‘Open for Business,’” said Olsen. “These concepts will empower Oregon job-generators to locate and invest in Oregon and put our economy back on track. If we want to end Oregon’s epidemic joblessness, the legislature must take action on concepts like these.”

Senate Republicans are optimistic that this legislature will encourage the creation of new jobs through some form of capital gains tax reduction.

Thanks to a dismal business climate and a stagnant national economy, one in every five Oregonians is functionally unemployed and one in five Oregonians are receiving food stamps. Per capita personal income in Oregon totaled \$36,125 last year, 9 percent lower than the national mark of \$39,626, according to a report from the Oregon Employment Department.

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