

The Republican Plan

Putting Oregonians Back to Work

Problem: Oregon's economic troubles are hard to miss. In some counties official unemployment is approaching 20% and these numbers do not include the families whose unemployment benefits have run out or those with members working fewer hours than they need.

Oregon's tax system is heavily reliant on the income tax so when families are out of work, the state of Oregon is out of money to provide vital state services. For every dollar the state loses in revenue, Oregon families have lost \$10 in wages, earnings and dividends. If projections for the 2009-11 budget cycle hold and state revenues are down \$2 billion, Oregon families will have lost \$20 billion in income used to pay for rent, clothes, meat and heat.

Solution: It does not have to be this way. We can put Oregonians back to work and we can help create the revenue our state needs to provide vital services. It all starts with jobs. The jobs that will support Oregon families; the jobs that will help the state take care of its most vulnerable; and the jobs that will help the state protect its citizens and educate its children.

Republicans in the Oregon Legislature are proud to offer the following solutions to Oregon's economic troubles:

- Reduce income tax withholding table, giving Oregonians more of their tax return now rather than later (SB 704). A 4.2% reduction will put \$100 million a year into the economy and create or retain 2,500 jobs.
 - Cost: \$0.00
 - State Income Tax Revenue: \$9,785,000 per biennium¹

- Implement the "Main Street Incentive Program" (HB 3095) to encourage home and business owners to engage in immediate capital improvement projects, creating jobs and growing local tax bases. Would create 6,024 jobs
 - Cost: \$228.3 million over five years (\$45 million per year)
 - State Income Tax Revenue: \$23,347,010 per biennium
 - *Home portion:* cost is \$54.5 million over five years, creates 1,099 jobs, increases property values by \$58.1 million which adds \$900,000 in property tax revenues.
 - *Business portion:* cost is \$173.8 million over five years, creates 4,925 jobs, increases property values by \$195.7 million which adds \$3.1 million in property tax revenues.

- Provide matching funds for airports (not just state owned) to improve facilities. The improved facilities will create economic development opportunities for local communities. By providing \$7.7 million we can leverage more than \$128 million. The funds will create immediate construction jobs while encouraging job growth in all parts of the state. Will create 2,214 jobs.
 - Cost: \$7.7 million
 - State Income Tax Revenue: \$8,665,596 per biennium
(over)

¹ Based on numbers from the Legislative Revenue Office that show the average wage in Oregon is \$43,000 per year and the income tax on that wage is \$1,957.

- Reconnect Oregon's Tax Code to the Federal Code so unemployed families will not face additional taxes on their benefits. We do not believe it is right to balance the budget on the backs of unemployed Oregonians.
- Put Oregon's natural resources back to work for the people of the state. We have a choice, we can follow California with \$40 billion budget shortfalls or we can follow Alaska with \$40 billion in reserve funds. The difference in these two states is that Alaska relies on its natural resources while California relies on ever increasing taxes on its citizens. By utilizing the same amount of Columbia River water the states of Washington and Idaho currently use, we can irrigate thousands more acres of productive farm land or we could sell the water to cities and counties which need it.
 - Cost: Depends on the project
 - State Revenue: Could be in the billions depending on the projects
- Immediately implement the Bureau of Land Management's Western Oregon Plan Revision (SJR 24). By increasing the harvest on federal lands we can put rural Oregonians back to work as well as reduce the fire danger. Numbers from the Oregon Forest Resources Institute show the timber industry has lost more than 15,000 jobs since 2000. According to the American Forest Resources Council this Western Oregon Plan Revision will create 5,000 jobs.
 - Cost: \$0.00
 - State Income Tax Revenue: \$19,570,000 per biennium
- Create a bond package for Oregon cities to help them meet Department of Environmental Quality Standards. These projects, presented by the League of Oregon Cities, would create jobs all over the state and improve local infrastructure.
 - Cost: Depends on projects selected
 - State Income Tax Revenue: Depends on projects selected
- Stabilize Oregon's banking system to free up working capital for employers. By selling bonds and creating a revolving fund, administered by banks and credit unions, we can help Oregon's small businesses struggling with cash flow problems.
- Protect Oregon employers from overreaching state regulation. Roll back regulations imposed by the state to match those imposed by the federal government.
 - Cost: \$0
 - State Income Tax Revenue: Depends on which regulations are rolled back
- We will oppose environmental agendas that increase the cost of creating jobs and take income away from struggling families. These agendas are irresponsible at a time like this.

Republicans stand ready to help Oregon's employers create the jobs on which families rely. The newspapers have been filled with headlines about the shortfalls in the state budget. What the headlines fail to mention are the families struggling with billions in lost income.

We can, and we must, get Oregon's economy back on track for Oregon families.