



# Service Employees International Union, Local 503, OPEU

MEASURE: HB 2412  
EXHIBIT: J  
HOUSE REVENUE COMMITTEE  
DATE: 3/10/2011 PAGES: 1  
SUBMITTED BY: ARTHUR TOWER S

TO: House Revenue Committee Members  
FR: Arthur Towers, Political Director, SEIU Local 503  
RE: House Bills 2412, 3050, 3221, and 3187  
3-10-11

Thank you for the opportunity to provide written testimony regarding proposals to decrease the tax rate on capital gains or to defer the payment of taxes on capital gains.

I appreciate very much your desire to stimulate Oregon's economy and create jobs. This approach is the wrong direction. Providing tax subsidies to those who are getting ahead in this economy is not going to provide the hoped-for economic stimulus. As the national economy sputters, there is not a clear correlation between capital gains tax rates and employment rates across the states.

In regard to job creation, we are at a time of record corporate profits. Yet, it is proving very difficult for the private sector to create jobs in the United States.

Passage of these bills would result in disinvestment in services that middle-class and vulnerable Oregonians rely on and support. Voters have spoken clearly about their desire to preserve services. Voters have consistently and resoundingly defeated spending caps and tax cuts in recent years. Voters actually passed two tax increases designed to preserve services.

Further, we are quite fearful that disinvestment in state services will negatively impact the private and public sector.

For instance, funding for long-term care draws down federal matching funds. These funds are paid to small businesses across Oregon to provide care for seniors and people with disabilities. Group homes for people with developmental disabilities are overwhelmingly private sector employers. Skilled nursing facilities are overwhelmingly private sector employers. Assisted living facilities are private sector employers.

As I have discussed in previous testimony, for every \$1M in state funds invested in long-term care the matching federal funds create 55 jobs, per a 2009 EcoNorthwest Study.

Setting tax policy means that the government is picking winners and losers. We know that seniors, school children, people with disabilities, and those victimized by the economic downturn will be losers if tax subsidies for the wealthy are enacted. How we treat these vulnerable Oregonians speaks to who we are as a community. And I would add that private sector jobs will be impacted as well.

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# Service Employees International Union, Local 503, OPEU

MEASURE: HB 3050  
 EXHIBIT: \_\_\_\_\_  
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 DATE: 3/10/2011 PAGES: 1  
 SUBMITTED BY: ARTHUR TOWERS

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# Service Employees International Union, Local 503, OPEU

MEASURE: HB 3187  
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DATE: 3/10/2011 PAGES: 1  
SUBMITTED BY: ARTHUR TOWERS

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# Service Employees International Union, Local 503, OPEU

MEASURE: HB 3231  
EXHIBIT: J  
HOUSE REVENUE COMMITTEE  
DATE: 3/10/2011 PAGES: 1  
SUBMITTED BY: ARTHUR TOWERS

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