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May 2, 2013

To: Co-Chair Burdick, Co-Chair Barnhart, members of the Joint Tax Credit Committee

From: Neil Bryant, President Cultural Advocacy Coalition

Re: Testimony in Support of SB 319 and HB 2470

Co-Chair Burdick, Co-Chair Barnhart and members of the committee, for the record my name is Neil Bryant. I am a former state senator and a partner at Bryant, Lovlien and Jarvis, PC in Bend. I am here today in my capacity as President of the Cultural Advocacy Coalition, testifying in support of HB 2470 and SB 319, which both renew the Cultural Trust tax credit.

You have heard this morning about the unique structure of the Trust, its statewide reach and the impact it has specifically in rural Oregon. I wanted to add to this, a study the Cultural Advocacy Coalition commissioned through ECONorthwest, which examined the economic impact of the Cultural Trust and the 1,300 cultural nonprofits which are eligible for grants from the Trust.

ECONorthwest determined that nonprofits, whose work is eligible for support through the Oregon Cultural Trust, directly generated \$580.5 million in sales into our economy and provided \$272.8 million in wages to Oregonians. These are the paychecks that support Oregon families. The report found over 19,000 Oregonians working in the cultural sector—which is roughly equivalent to Oregon's legal sector. Of this number, 8,750 are employed by a nonprofit that is eligible for support through the Oregon Cultural Trust.

When ECONorthwest considered supply-chain and consumption driven spending, total economic impacts hit \$1.2 billion in sales, with taxable income climbing to \$466 million--generating \$57.2 million in tax and fee revenues for state and local governments to fund schools, ensure public safety, and support other important state programs.

Every \$1 million in sales by a cultural nonprofit generates \$1.1 million in sales for other Oregon businesses. This is called the multiplier effect. We should not overlook the importance of the cultural sector to our overall economy.

But most importantly, cultural nonprofits exist to enrich our communities. They increase access to the arts in our schools, preserve our past, ease suffering through music in intensive care units, and invest in downtown revitalization. A grant from the Cultural Trust represents the state's partnership in this valuable work. Through the tax credit, the Cultural Trust has supported 800 programs by disbursing \$11 million throughout the state.

Cultural Advocacy Coalition

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Over 25,000 Oregonians have energized the work of the Trust with gifts as small as \$10, or as large as \$1,000 to local nonprofits. These gifts have then been matched with a donation to the Cultural Trust. The matched donation to the Trust is currently eligible for a tax credit on the donor's Oregon tax return.

We have been asked by legislators to look at how many Oregonians use the full credit. When donations were analyzed over the ten year life of the trust we found that 45% of donors have given at the maximum allowed by the credit and 1.6% of donors have given above the amount eligible for Oregon's tax credit.

The Cultural Advocacy Coalition supports the reauthorization of the Cultural Trust tax credit because we believe that Oregon's culture is worth preserving, supporting, and protecting. At a time when our economic recovery has been slow, we cannot afford to overlook the 19,000 jobs that could be impacted or the return on investment we receive through the work of the Oregon Cultural Trust and its nonprofit partners.

Thank you for the opportunity to testify this morning. I am happy to take any questions from the Committee.