

June 20, 2013

**Testimony before the Senate Committee
on Finance and Revenue
regarding Tax Bill HB 2456
by Steve Buckstein**

Good afternoon, Chair Burdick, Vice-Chair George, and members of the Committee. My name is Steve Buckstein. I'm Senior Policy Analyst and founder of Cascade Policy Institute, which is a non-profit, non-partisan think tank based in Portland. Cascade's mission is to develop and promote public policy alternatives that foster individual liberty, personal responsibility and economic opportunity.

I'm here to express my support for amending HB 2456 to include a new, lower income tax rate for most small businesses in the state. Small businesses, including start-ups and individual entrepreneurs, are a significant source of job creation. I have it on good authority that all state legislators would like to take credit for creating more jobs in this state. Here's your chance.

I cannot support other changes in the bill which would jack up tax rates on C corporations and in-effect raise taxes on high-income individuals. Such provisions will simply reinforce Oregon's reputation as business-unfriendly.

In this modern world, people and capital are mobile. Investors and business people change their behavior based on the incentives and disincentives they face. Oregon's high tax rates shine like a big STOP sign at the border, warning high-income people and most businesses that the costs of coming here may be too high compared to other states.

So, by all means lower tax rates where you can, especially for small businesses. And rather than rely on taxing others more to generate revenue, rely on the fact that making Oregon more business friendly will in itself generate revenue—and jobs.

Thank you.

