

**Written Testimony in Favor of
SB 319
Renewal of the Oregon Cultural Tax Credit**

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Senator Lee Beyer, Chair
Senator Bruce Starr, Vice-Chair
Senator Chris Edwards
Senator Fred Girod
Senator Rod Monroe
Senator Chuck Thomsen

Chair Beyer and members of the Senate Business and Transportation Committee,

Thank you for this opportunity to speak in favor of SB 319, which renews the Oregon Cultural Tax Credit.

I am Greg Fitz-Gerald from Eugene. I'm a strong supporter of the arts, an art collector and advisor to a number of arts and cultural institutions. I am a member of the board of directors of the Cultural Advocacy Coalition ("CAC"), and have recently completed my term as President of the Leadership Council of the Jordan Schnitzer Museum of Art at the University of Oregon.

Last year the CAC commissioned an independent research study¹ of the importance of arts and culture on the Oregon economy. A copy of that report is attached hereto, and we'll be happy to get you as many extra copies as you want.

Cultural Tax Credit – Good Economic Policy

I don't have time to tell you of all the favorable economic and other benefits of arts and culture – you'll see them when you read the report. But the highlights are:

Arts and Culture in Oregon directly and indirectly

- Generate \$1.2 billion in economic output in Oregon;
- They pay \$466 million in salaries; and
- They generate \$57 million in taxes and fees to governments in this state.
- Arts and culture employ 15 thousand people.
 - In terms of jobs that's almost as big as the entire legal profession in Oregon and one and a half times larger than all the high school teachers in Oregon.

So supporting art and culture through the Cultural Tax Credit makes good economic sense because the arts and culture organizations in Oregon are major contributors to our economy and the education of our children.

¹ *Arts, Culture, and Oregon's Economy*, ECONorthwest, December 2012

Cultural Tax Credit – Good Tax Policy

As I said, art and culture generate taxes and fees of \$57 million. That's 15 times the \$3.8 million the Cultural Tax Credit cost in tax expenditures last year.

One of the really unique attributes of the Cultural Tax Credit is you legislators know that a private citizen has donated real cash equal to the tax credit before you ever spend a dime of tax money. It's one of the very few times you can get a matching gift from the people before you make a tax expenditure. Lots of tax expenditures hope to induce people to do something beneficial, but you know for sure that the Cultural Trust Tax Credit does it.

Before I moved to Oregon I'd heard about what a forward thinking state this is -- the beach law, the bottle bill, etc. And then I got here and learned about the Cultural Tax Credit. It's the only one in the country and it's a use of the tax law that really makes sense and it works.

Cultural Tax Credit – Good Education Policy

A very large part of all the art and culture spending in Oregon is now for education, especially the spending from the Cultural Trust. Our museums, theaters, and other cultural organizations take their product directly in to the schools or they bring the kids to their museums and theaters. We are a very important supplement to the school budgets.

There's lots of research now that educating kids in art and culture makes them better learners in all areas. One study showed that giving children art and culture in third grade makes them better at math and English in fifth grade. We all know the big push these days for Science, Technology, Engineering and Math. You know STEM.

Well our own Dr. Rudy Crew and lots of other experts in education now say it should be STEAM -- Science, Technology, Engineering, **Art** and Mathematics. That's what we need to do to educate our kids to be better learners. If we do STEAM we get a bigger bang for our education dollar.

Summary

I could go on for a long time about this subject because it's so important for the future of our state and our children, but let me close by simply saying you really should renew the Cultural Tax Credit. It's that important.

1. It makes good economic sense. Art and culture is a significant part of Oregon's economy. There's a big payback.
2. It's good tax policy. You get a very big return on your tax expenditure, and it's one of the few times you legislators can be sure private citizens have made a one for one match for every tax dollar you spend.
3. It's good education policy. Learning about art and culture makes Jack and Jill better students. It's a way for you to spend our limited education dollars smarter.

And finally, renewing the Oregon Cultural Tax Credit is a way to show the rest of the country Oregon's enlightened political leadership.

Thanks for letting me have this time to support the Cultural Tax Credit.

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