## **OTIM Base Simulation**

(effective 1-1-2015):

(1) Reduce Personal Income Tax rates to 4% - 6% - 8%

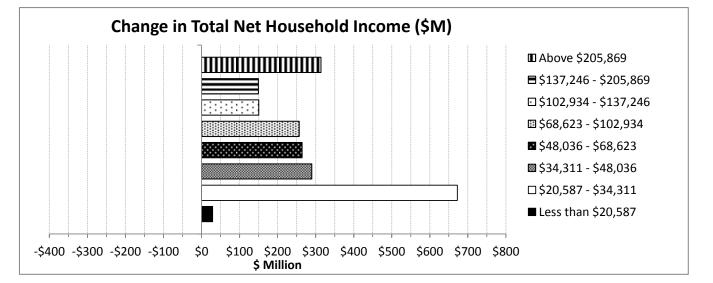
(2) Establish a Value Added Tax of 1.5%

| 2015 Levels                          |           |                 |                         |                   |  |  |  |  |
|--------------------------------------|-----------|-----------------|-------------------------|-------------------|--|--|--|--|
|                                      | Baseline  | New Equilibrium | Change From<br>Baseline | Percent<br>Change |  |  |  |  |
| Private Sector                       |           |                 |                         |                   |  |  |  |  |
| Personal Income (\$M)                | \$166,648 | \$168,310       | \$1,662                 | 1.00%             |  |  |  |  |
| Employment                           | 2.386     | 2.451           | 0.064                   | 2.68%             |  |  |  |  |
| Population                           | 4,018,120 | 4,084,827       | 66,707                  | 1.66%             |  |  |  |  |
| Investment (\$M)                     | \$13,888  | \$13,960        | \$71.7                  | 0.52%             |  |  |  |  |
| Wage Index                           | 100.0     | 98.02           | -1.98                   | -1.98%            |  |  |  |  |
| Return to Capital                    | 100.0     | 100.14          | 0.14                    | 0.14%             |  |  |  |  |
| Price Levels                         | 100.0     | 99.79           | -0.21                   | -0.21%            |  |  |  |  |
| Public Sector                        |           |                 |                         |                   |  |  |  |  |
| State Spending (\$M)                 | \$23,639  | \$23,756        | \$117                   | 0.5%              |  |  |  |  |
| GF Revenue (\$M)                     | \$7,450   | \$7,482         | \$32                    | 0.4%              |  |  |  |  |
| OF Revenue (\$M)                     | \$16,189  | \$16,274        | \$85                    | 0.5%              |  |  |  |  |
| Local Govt Revenue (\$M)             | \$14,331  | \$14,434        | \$103                   | 0.7%              |  |  |  |  |
| Federal Tax Paid by Oregonians (\$M) | \$30,270  | \$30,611        | \$341                   | 1.1%              |  |  |  |  |

| Static Revenue Impact (\$ Millions)  | \$0   |
|--------------------------------------|-------|
| Dynamic Revenue Impact (\$ Millions) | \$220 |
| Net Revenue Impact (\$ Millions)     | \$220 |
| General Fund Change (\$ Millions)    | \$32  |
| Other Funds Change (\$ Millions)     | \$85  |
| Local Revenue Change (\$ Millions)   | \$103 |

## **Total Net Household Income**

|                       | Baseline<br>(\$M) | New Equilibrium<br>(\$M) | Difference<br>(\$M) | % Difference | Change in<br>Number of<br>Hholds | Mean Income<br>Change per<br>HH (\$) |
|-----------------------|-------------------|--------------------------|---------------------|--------------|----------------------------------|--------------------------------------|
| Less than \$20,587    | \$3,579           | \$3,608                  | \$29                | 0.8%         | 219                              | \$111                                |
| \$20,587 - \$34,311   | \$7,319           | \$7,991                  | \$673               | 9.2%         | 17,073                           | \$297                                |
| \$34,311 - \$48,036   | \$8,860           | \$9,150                  | \$290               | 3.3%         | 5,136                            | \$319                                |
| \$48,036 - \$68,623   | \$14,640          | \$14,905                 | \$264               | 1.8%         | 2,975                            | \$386                                |
| \$68,623 - \$102,934  | \$24,916          | \$25,173                 | \$257               | 1.0%         | 1,537                            | \$440                                |
| \$102,934 - \$137,246 | \$20,711          | \$20,862                 | \$150               | 0.7%         | 613                              | \$450                                |
| \$137,246 - \$205,869 | \$27,230          | \$27,380                 | \$149               | 0.5%         | 429                              | \$483                                |
| Above \$205,869       | \$30,635          | \$30,948                 | \$314               | 1.0%         | 391                              | \$2,002                              |
| TOTAL                 | \$137,890         | \$140,017                | \$2,126             | 1.5%         | 28,372                           |                                      |



4/8/2015