

2015

# OREGON REVENUE COALITION

## *Working Together for Oregon's Future*

### **PLEASE VOTE 'NO' ON SB 567 CONCURRENCE**

SB 567 is a bill that would reduce available resources for vital services, without regard to the state of Oregon's economy at the time. It will not, however, reduce volatility of our tax system.

The bill would sequester and reserve a portion of tax revenues from capital gains based on a mathematical formula that has no predictive value and no tie to existing or forecasted economic performance, and because of this, could be ill-timed, making budgeting even more difficult than it is now.

By looking in the rearview mirror at past performance of capital gains volatility, the contention of proponents is that some sort of pattern may be discerned that would indicate a need to sock away resources for the inevitable rainy day. We agree that responsible reserving is essential to blunt the painful impact of economic cycles, but we do not see this method and automatic capture of tax revenue from capital gains as the right approach.

It is impossible to predict when an owner of capital may sell shares of stock or valuable property, and the look-back provision cannot serve this purpose.

According to Legislative Counsel, this bill will not change the method for determining the kicker, so for those who had hoped otherwise, this bill is no remedy.

We fail to see how this bill contributes meaningfully to Oregon's current reserving programs. Given that this legislature cannot bind future legislatures, the bill, if passed, could theoretically be overridden by a simple majority vote of each chamber, but why force such a future fight? It very well may be the case that when the estimated \$42 million or more in funds are first locked away (in 2019), that your future colleagues will rue the day this bill automatically sweeps the funds from the table.

Instead, we urge you to vote no on SB 567. Thank you for your consideration.

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**OREGON REVENUE COALITION:** *An ad hoc group of organizations & individuals representing public education, long-term care, organized labor, health care, civil rights, the faith community, private citizens, and other entities..*

AARP, advocacy Coalition of Seniors & People with Disabilities, AFT-Oregon, Alzheimers Association, American Association of University Women of Oregon, Alcohol & Drug Program Association of Oregon, Brain Injury Assoc. of Oregon, Care Oregon, Cascadia Behavioral Health Care, Inc., Children First for Oregon, Coalition for Schools, Coalition to Preserve the Estate Tax, Columbia River Pensioners (ILWU), Common Cause of Oregon, Community Action Directors of Oregon, Community Providers Assoc. of Oregon, Confederation of Oregon School Administrators (COSA), Ecumenical Ministries of Oregon, Elders in Action Commission, Gray Panthers of Oregon, Human Services Coalition of Oregon (HSCO), ILWU, Jewish Federation of Portland, League of Women Voters - Oregon, National Assoc. of Social Workers - Oregon Chapter, Oregon Advocacy Center, Oregon AFL-CIO, Oregon AFSCME, Oregon Alliance for Retired Americans, Oregon Alliance of Seniors & Health Services, Oregon Assoc. for Retired Citizens, Oregon Assoc. of Area Agencies on Aging & Disabilities (O4AD), Oregon Center for Public Policy, Oregon Cross Disability Coalition, Oregon Education Assoc., Oregon Environmental Council, Oregon Health Care Assoc., Oregon Hunger Relief Task Force, Oregon PTA, Oregon School Boards Assoc., Oregon School Employees Assoc., Oregon State Firefighters Council, Oregon Student Assoc., Pacific Northwest Council of Carpenters, PCUN, Rural Organizing Project, SEIU-OPEU, Social Justice Alliance of Josephine Co., State Rep. Phil Barnhart, State Rep. Rob Nosse, State Rep. Ann Lininger, State Rep. Barbara Smith Warner, Support Oregon Services Alliance, Tax Fairness Oregon, Tobacco Free Coalition of Oregon, United Cerebral Palsy of Oregon & SW Washington, United Seniors of Oregon, Women's Rights Coalition.