



SB 1507 – A16, A17 the Minimum Wage amendments

Testimony for House Revenue – Dr. Edith A. Rusch

Chair Barnhart and members of the House Revenue Committee, my name is Edith Rusch, a volunteer with Tax Fairness Oregon. I am here today to raise some hard questions about SB 1507 and more specifically, amendments A16-17.

I've been away from this legislature for 20 years, because of advice given to me by Senator Frank Roberts. I was a policy intern with Frank during the year this body agonized over how to implement Measure 5. When I decided to pursue a career in Higher Education, Frank advised me to leave the state because, as he said, "It will take many decades for Oregon to recover from these decisions." I returned to Oregon 3-years ago and quickly observed vivid consequences of Measure 5. In my view, Senator Roberts was prescient: Oregon has been deeply damaged by Measure 5 and legislators have mostly addressed the lost funds by attempting to super-charge the state's economic engines via tax benefits for businesses.

The concerns my TFO colleagues and I have with A16/17 and tax credit proposals in several other bills this: **CUMULATIVE TAX BREAKS AFFECT OREGON'S REVENUE STREAM, PARTICULARLY FOR EDUCATION AND SOCIAL SERVICES. WHILE TFO STRONGLY SUPPORTS STRATEGIC INVESTMENTS, COMPLEX BILLS WITH TAX INCENTIVES THAT ARE NEARLY IMPOSSIBLE TO REVERSE, DO AFFECT LONG -TERM REVENUE.**

I am asking you to **TURN THESE TAX CREDITS DOWN, WITH OR WITHOUT THE \$30 MILLION A YEAR LIMIT; WE SIMPLY CAN'T AFFORD ANOTHER LOST DAY AND A HALF OF SCHOOL EACH YEAR.** As Mike Rogoway reported in Sunday's Oregonian, well-intended tax breaks can lead to very real "implications for millions of dollars in tax revenues" (Oregonian, 2.28.2016). The very serious truth is every one of those beneficial tax credits reduces the state's resources for the fundamental engine of any economy—education.