



**LEAGUE OF WOMEN VOTERS®
OF OREGON**

The League of Women Voters of Oregon is a 97-year-old grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

June 13, 2017

To: [Joint Committee on Tax Reform](#)
Co-Chairs [Senator Mark Hass](#) and [Representative Phil Barnhart](#), Co-Vice Chairs [Senator Brian Boquist](#), [Representative Cliff Bentz](#) and [Representative Barbara Smith Warner](#)

Re: [HB 2830-2](#) – Bridge and CAT, Tax Reform **Support, pass this session**

The League of Women Voters believes that efficient and economical government requires competent personnel, the clear assignment of responsibilities, adequate financing, and coordination among the different agencies and levels of government. The League of Women Voters believes that government should be responsive to the will of the people and should maintain an equitable and flexible system of taxation.

As we wrote in our [June 6 League of Women Voters Testimony](#), we continue to commend and appreciate this committee's bipartisan and bicameral work as you have thoughtfully considered Tax Reform this session. As presented in [HB 2830-2](#), we support the "bridge" that would temporarily raise the current Corporate Income Tax Rate and the Corporate Minimum Tax for a period, until 2019. We support the opportunity for the Commercial Activities Tax (CAT) to be included in legislation this year with an effective date of 2019, allowing the Department of Revenue to prepare a smooth transition to the new CAT collection and to the reduced personal income tax rates for those with lower incomes. We also support a 2019 effective date for the CAT to allow businesses and their accountants to prepare for this transition. We support this simpler to implement, one-page tax reporting system.

We continue to advocate for the CAT, believing that it offers a more stable revenue flow than our current system, especially in economic downturns where our present tax system has resulted in a yo-yo of budget cutbacks and unpredictability for essential services provided by the state. We support rates for the CAT that will address Oregon's consistently insufficient revenue; *since 1990 when Measure 5 reduced property tax revenue for our K-12 schools and since initiatives, not tied to a funding source, have put demands on our current revenue streams.*

Finally, we acknowledge that some pyramiding will adversely impact those with very low incomes, who do not file tax returns and may be elderly or disabled, so we would support an adjustment mechanism to help very low income citizens remediate loss of income due to pyramiding.

We are grateful for your work and acknowledge the great external pressures in-play both for and against tax reform. We recognize that *you, the Legislature, are the elected voice of the people of Oregon*. We believe that the legislature is best place to solve complex problems, not in ballot measures. **We believe that now is the time, this session, to pass a TAX REFORM bill.**

Thank you for the opportunity to discuss this tax reform bill and the -2 amendment.

Handwritten signature of Norman Turrill in black ink.

Norman Turrill
LWVOR President

Handwritten signature of Alice M. Bartelt in black ink.

Alice Bartelt
LWVOR Legislative Action Chair

Background: In December 2016, the LWVOR Legislative Action Team prioritized key areas for the 2017 session including: “*REVENUE AND TAX REFORM by adopting stable and fair revenue policies and tax reforms to adequately fund services and functions critical to the well-being of Oregonians.*” The League has a unique perspective on the legislature, following sessions over many years. We follow portfolios on Governance, Education, Natural Resources, and Social Policy. We don’t just advocate for one issue. We follow most of the legislative committees and pay great attention to the Oregon’s budget and revenue sources. Our Action Team coordinators are highly knowledgeable subject experts, unpaid volunteers—not paid to advocate a specific position. **Each coordinator listed below is available to discuss how budget and revenue decisions made this session will impact the people of Oregon and our state’s natural resources.**

- Governance Coordinator: Becky Gladstone, rebecca.gladstone@gmail.com
- Public Access Coordinator: Paula Krane, kranep@peak.org
- Natural Resources Coordinator: Peggy Lynch, peggylynchor@gmail.com
- Social Policy Coordinator: Karen Nibler, niblerk@comcast.net
- Education Policy Coordinator: Chris Vogel, chrisvogelvolunteerlwvor@gmail.com

Cc:

Joint Committee on Tax Reform Members: [Senator Herman Baertschiger Jr.](#), [Senator Chuck Riley](#), [Senator Kathleen Taylor](#), [Representative Knute Buehler](#), [Representative Diego Hernandez](#), [Representative Mark Johnson](#), [Representative Pam Marsh](#), [Representative Rob Nosse](#), [Representative Greg Smith](#)

[Senate President Peter Courtney](#)

[Speaker of the House Tina Kotek](#)

Full Ways and Means Committee Co-Chairs [Senator Richard Devlin](#) and [Representative Nancy Nathanson](#)

[Senate Majority Leader Ginny Burdick](#)

[Senate Minority Leader Ted Ferrioli](#)

[House Majority Leader Rep. Jennifer Williamson](#)

[House Minority Leader Mike McLane](#)

Legislative Revenue Office: [Dr. Paul Warner](#) and [Dr. Chris Allanach](#)

Office of Governor Kate Brown, [Ivo Trummer](#)