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## **House Revenue Committee Smart to Take Up Revenue Bills Next Week in Light of Latest Revenue Forecast**

### **Statement by OCPP executive director Charles Sheketoff**

The House Revenue Committee should be applauded for beginning to explore revenue options as early as next week. It's a smart move because today's gloomy revenue forecast leaves no doubt that the most sensible and necessary approach to Oregon's fiscal crisis —in terms of both serving the vital needs of Oregonians and stabilizing our economy — is to raise revenue in a targeted way from those with the greatest ability to pay.

The \$3 billion revenue shortfall forecast for the next budget cycle makes clear the need for raising revenue. Federal stimulus dollars and Oregon's modest reserve funds will not be enough to bail us out, and the public services that Oregonians rely upon each day cannot be slashed to make up the difference without serious economic and social consequences.

The federal stimulus money, coupled with our two reserve funds if necessary, ought to be fully used as soon as possible to maintain as much public spending as possible this budget period. New revenues can't be raised quickly enough to get us out of the hole this budget cycle, but they can help in a significant way in the next budget period.

Raising revenue is the smart, prudent way to confront our revenue shortfall. Deep cuts in spending would deprive all Oregonians, and particularly the most vulnerable, of key public services at a time when they are most needed. Cutting state spending would deepen and prolong the downward economic spiral.

The forecast makes clear that the state's two reserve funds are proving to be too small to fix the problem next biennium. That's why they should be used this biennium if necessary to prevent cuts once available federal stimulus funds are used. Revenue increases should be the tool for fixing the revenue shortfall next biennium.

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The Governor and others correctly say that times like these require shared sacrifice. But shared sacrifice means that those who have benefited the most from our economy should be the first in line to sacrifice. Raising revenue from very high-income Oregonians and large, profitable corporations is both fair and economically sensible. They were the big winners in the last period of economic growth, and targeted tax increases would only affect those among them that are still doing well during this economic storm.

House leadership and the House Revenue Committee are stepping up to the challenge presented by today's forecast. That's the good news story coming out of today's gloomy revenue forecast.