

Measures 66 and 67 taking their toll?

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In the greater scheme of Central Oregon's economy, Tara

O'Keeffe's hand-cream manufacturing business was relatively small potatoes. Yet, it's businesses like hers that form the backbone of the state's business community, and in just a few short days it will be gone, moved lock, stock and barrel to Cincinnati, Ohio. To some degree, you can thank the passage of Ballot Measures 66 and 67 in January for that.

O'Keeffe's story is the American entrepreneurial dream on a small scale. She says the region's dry climate was tough on her rancher father's hands. So she, a pharmacist, decided to do something about it and invented what became O'Keeffe's Working Hands cream. The company has grown from its beginnings in O'Keeffe's kitchen to 20 employees. Its products now can be found in Lowe's, Ace Hardware and in pharmacies, among others. This past week the company sold to Gorilla Glue Co., based in Ohio, for what O'Keeffe describes as "a very comfortable number."

Also this past week, Gorilla Glue employees came to Sisters, where Working Hands had been located, and began moving the company, piece by piece, to Cincinnati. As the furniture leaves town, so do most of the 20 jobs the company provided. At least part of the reason for the move, says O'Keeffe, is the tax burden imposed by Measures 66 and 67. Measure 66 raised personal income tax on high earners, including those whose business income shows up on individual tax returns. Measure 67 hurt companies like O'Keeffe's, which had about \$2 million in annual revenues.

Now there may have been other good reasons for Gorilla's decision to move the company, and they may have been persuasive without the new higher taxes. But those taxes were a consideration, and Oregonians shouldn't lose sight of that fact.

In a state with one of the highest unemployment rates in the country, the loss of any jobs hurts. Moreover, if high taxes drive existing businesses out, they also make it tougher to bring new businesses in. Working Hands, sadly, may not be the last to go, and its replacement may well be a long time coming.

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