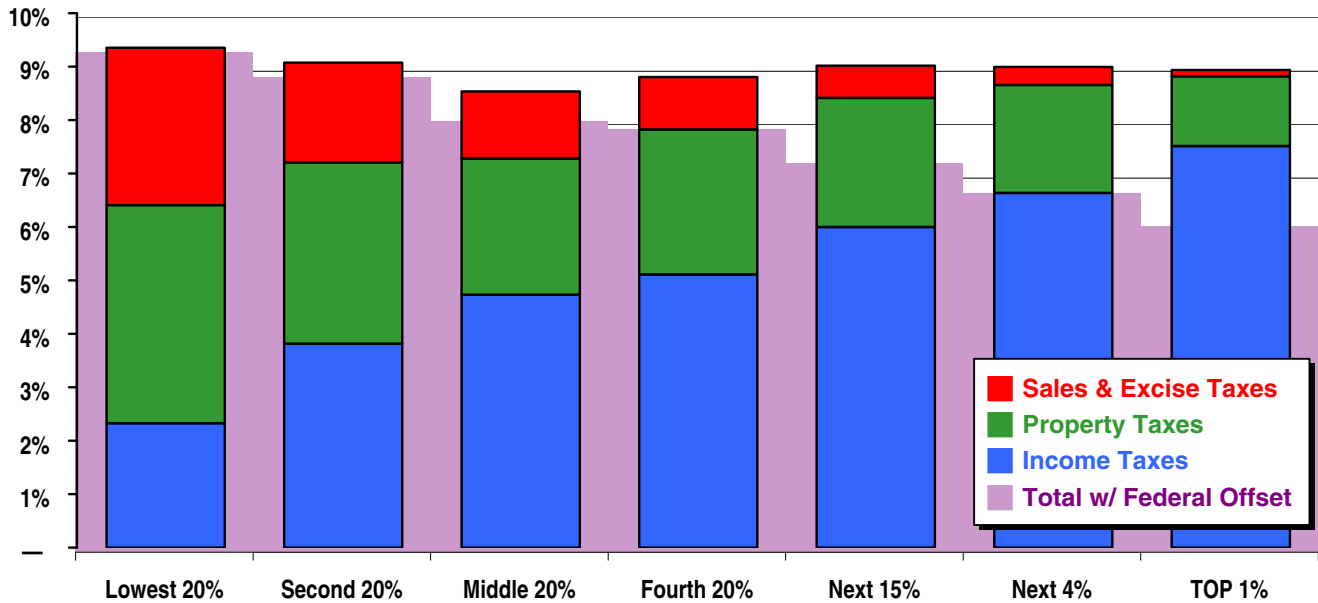


Oregon

State & Local Taxes in 2002

Shares of family income for non-elderly taxpayers



Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$16,000	\$16,000 – \$27,000	\$27,000 – \$44,000	\$44,000 – \$71,000	\$71,000 – \$132,000	\$132,000 – \$308,000	\$308,000 or more
Average Income in Group	\$9,300	\$21,100	\$34,200	\$56,100	\$90,900	\$182,200	\$672,400
Sales & Excise Taxes	2.9%	1.9%	1.3%	1.0%	0.6%	0.3%	0.1%
General Sales—Individuals	—	—	—	—	—	—	—
Other Sales & Excise—Ind.	2.8%	1.7%	1.1%	0.9%	0.5%	0.3%	0.1%
Sales & Excise on Business	0.2%	0.2%	0.1%	0.1%	0.1%	0.0%	0.0%
Property Taxes	4.1%	3.4%	2.5%	2.7%	2.4%	2.0%	1.3%
Property Taxes on Families	4.0%	3.3%	2.5%	2.6%	2.2%	1.8%	0.8%
Other Property Taxes	0.1%	0.1%	0.1%	0.1%	0.2%	0.3%	0.5%
Income Taxes	2.3%	3.8%	4.7%	5.1%	6.0%	6.6%	7.5%
Personal Income Tax	2.3%	3.8%	4.7%	5.1%	6.0%	6.6%	7.3%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
TOTAL TAXES	9.4%	9.1%	8.5%	8.8%	9.0%	9.0%	8.9%
Federal Deduction Offset	—	–0.2%	–0.5%	–0.9%	–1.7%	–2.3%	–2.8%
TOTAL AFTER OFFSET	9.4%	8.9%	8.1%	7.9%	7.3%	6.7%	6.1%

Note: Table shows 2002 tax law at 2000 income levels.

Oregon Details

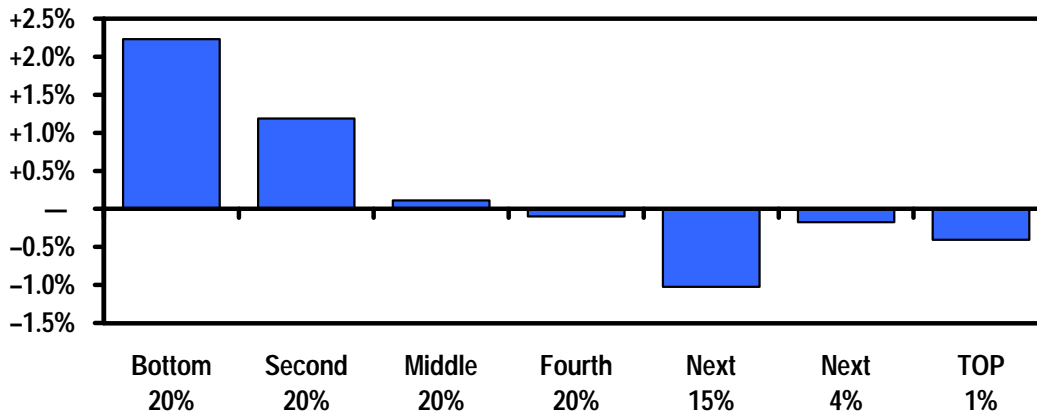
Progressive Features

- ✓ No sales tax
- ✓ Non-refundable Earned Income Tax Credit
- ✓ Tax brackets and exemptions indexed

Regressive Features

- ✗ Deduction for federal income taxes paid

Changes in Tax as Share of Income, 1989 - 2002

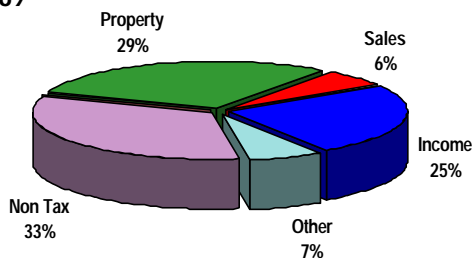


	Bottom 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Sales & Excise	+1.6%	+0.8%	+0.5%	+0.4%	+0.2%	+0.1%	+0.0%
Property	+0.4%	+0.5%	-0.3%	-0.4%	-1.4%	-0.9%	-0.4%
Income	+0.2%	+0.0%	+0.1%	-0.0%	+0.2%	+0.7%	+0.5%
Federal Offset	—	-0.1%	-0.2%	-0.1%	+0.0%	-0.0%	-0.5%
Overall Change	+2.2%	+1.2%	+0.1%	-0.1%	-1.0%	-0.2%	-0.4%

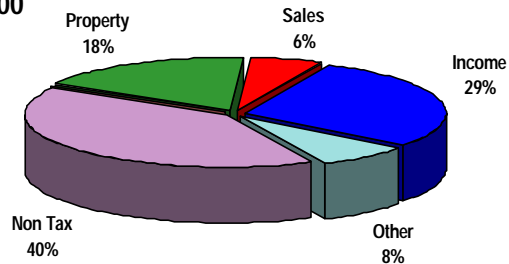
Oregon's relatively uncommon income tax deduction for federal income taxes paid was expanded recently. Low-income taxpayers received a break from a small, nonrefundable Earned Income Tax Credit, but the low-income benefits from the EITC were overwhelmed by a series of cigarette tax hikes. Property taxes fell except for the lowest-income taxpayers.

Composition of Revenues

1989



2000



Source: Government Finances, US Department of Census