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For More Information, Contact:

Charles Sheketoff (503) 873-1201
Juan Carlos Ordóñez (503) 873-1201

Legislature Has Protected Oregon by Flying With Her Own Wings

Statement by OCPP executive director Charles Sheketoff on HB 2157

(Silverton) — Today's Senate vote to end the practice of letting Congress dictate the definition of taxable income in Oregon is a great example of the fiscally responsible, prudent policies Oregonians are demanding out of Salem.

On the eve of Oregon's 150th anniversary, we have reaffirmed Oregon's motto, "She flies with her own wings." The legislature will now make affirmative decisions about which federal tax law changes to follow and which are not in Oregon's interest. We will fly with our own wings, rather than be dragged along by Washington, D.C.

Those who voted for the bill should be commended for returning Oregon to the fiscally responsible practice of choosing which federal law changes to connect to. And legislative leadership, including the chairs of the House and Senate revenue committees, should be congratulated for moving the bill in a timely fashion.

Under current law, without HB 2157, Oregon automatically adopts any federal changes to the definition to taxable income. If a change lowers taxes paid to Oregon and the legislature doesn't like the policy, they have to "disconnect," often requiring a three-fifths vote.

Under HB 2157 Oregon will now decide which changes to federal law it makes sense to follow, by affirmatively voting to connect to the change with a simple majority. Therefore, it leaves choices that would reduce Oregon revenue on equal footing with choices to protect schools, health care and other key public services.

Besides ending rolling reconnect, HB 2157 updates Oregon's connection to the federal income tax code to December 31, 2008, picking up all changes made by Congress since the 2007 state legislative session.

Oregon faces a large revenue shortfall and difficult choices, but today's vote restores control to Oregon in making those tough decisions.

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