



**OREGON HOUSE REPUBLICANS
OREGON HOUSE OF REPRESENTATIVES**

FOR IMMEDIATE RELEASE

February 2, 2007

CONTACT: Nick Smith

503-986-1351

HOUSE REPUBLICANS PROPOSE OREGON STABILITY AND INVESTMENT PLAN

Plan establishes a rainy day fund, promotes investments to grow the economy and create jobs

SALEM—House Republicans today announced their Oregon Stability and Investment Plan to create a rainy day fund that protects Oregon from future budget shortfalls. The plan also boosts private investments in Oregon businesses and workers by reducing Oregon’s capital gains tax rate, which is among the nation’s highest. Further, the plan protects small businesses and family farms by increasing the estate tax exemption.

“We believe we have a plan that creates an effective rainy day fund, while growing our economy and creating jobs,” said House Republican Leader Wayne Scott (R-Canby). “We are ready and willing to work with Democrats to achieve these goals.”

The Oregon Stability and Investment Plan provides money for a rainy day fund by suspending the corporate kicker for Oregon’s largest corporations, while maintaining the rebate for small businesses. The plan also reserves 1 percent of the 2007-09 General Fund for the Rainy Day Fund. When combined with the Education Stability Fund, the Oregon Stability and Investment Plan sets aside \$817 million for future needs.

“Our plan will provide Oregon with financial stability to cover future economic downturns,” said Rep. Gene Whisnant (R-Sunriver). “A rainy day fund will increase our bond rating, allowing us to borrow money cheaper and save taxpayer dollars. Combined with the Education Stability Fund, our stability and investment plan will have \$817 million by the end of this biennium.”

The Oregon Stability and Investment Plan provides pro-growth tax reform by reducing the state’s capital gains tax rate, which is among the nation’s highest. The plan also increases the exemption for taxable estates from \$1 million to \$2 million. As a result, the plan promotes job creation and investment, and protects many family-owned small businesses and farms from the devastating financial costs associated with the owner’s death.

“In Oregon, we suffer from the highest capital gains tax rates in the nation,” said Rep. Tom Butler (R-Ontario). “We propose to modify Oregon’s system of taxation, encourage tax uniformity and invite sustainability in investing in Oregon. In the long-run, a cut in capital gains tax rates invites capital markets to return and stay in Oregon’s economy—it invites investment and growth in Oregon’s good jobs, family-wage incomes and our community schools.”

House Republicans also announced how they would pay for the Oregon Stability and Investment Plan. To jumpstart the rainy day fund, the plan proposes to suspend the 2007 Corporate Kicker for C-corporations with taxable income greater than \$500,000. This would yield \$239.9 million for our rainy day fund and would return \$35.1 million to corporate taxpayers. The plan restructures Oregon's "Minimum Corporate Tax," which has not changed since 1931, to generate \$152.7 million during the 2007-2009 biennium.

"The Oregon Stability and Investment Plan improves Oregon's tax environment for small businesses, enabling them to expand their operations and hire more Oregon workers," said Rep. Bruce Hanna (R-Roseburg). "Under our plan, the corporate kicker suspends rebates for the largest corporations, but actually returns \$35.1 million to nearly 11,000 small businesses in our state. While our plan adjusts the corporate minimum tax, the increase in our proposal is much smaller and less burdensome to small businesses than the increase proposed in the Governor's budget.

"We are proposing a plan to that is fair to small business and further supports the economic backbone of our state."

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*Further information on the Oregon Stability and Investment Plan is attached.
View a video analysis of the Oregon Stability and Investment Plan by Rep. Dennis Richardson
(R-Central Point) [by clicking here.](#)*