



News Release

204 N. First St., Suite C • PO Box 7 • Silverton, OR 97381 • www.ocpp.org • 503-873-1201 • fax 503-873-1947

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**For More Information, Contact:
Charles Sheketoff, 503-873-1201**

**STATEMENT BY CHARLES SHEKETOFF,
EXECUTIVE DIRECTOR OF THE OREGON CENTER FOR PUBLIC POLICY,
ON THE \$101 MILLION – 36% – CORPORATE TAX CUT**

Today's announcement in the "Close of Session" economic and revenue forecast that corporations in Oregon will be receiving a \$101 million tax cut – which is equal to a 36 percent cut to their 2005 tax bills – should be a wake-up call for Oregon voters.

As the school year begins with crowded classrooms, students having to pay for extracurricular activities, depleted course offerings, and fewer school days, all because of a lack of funding, students across Oregon now have 101 million reasons to demand that Oregon repeal the kicker law and instead start saving for rainy days.

With large multistate corporations reaping the lion's share of the tax cut, this is a good lesson about the growth in corporate greed and corporate power in Oregon. In 1993 the Legislature and corporate Oregon agreed to suspend the kicker tax cut. This year corporate Oregon chose to pocket the money and the Legislature did nothing to stop them.

Oregon corporations are now paying less than 5 percent of Oregon's income taxes, down from 18 percent in the mid-1970s. The kicker tax cut only benefits profitable corporations, not new or struggling businesses more likely to need help rebounding from the recession.

About half of the total tax cut will flow to only 50 or so Oregon corporations, while ninety percent of the total tax cut will be bestowed on fewer than four out of every 100 corporations. Multistate corporations are the biggest winners, not the small businesses that are the backbone of Oregon's economy.