

For Immediate Release

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OCPP Charts Simple Explanations of Measures 66 and 67

(Silverton) —Which businesses are going to be paying more taxes under Measure 67, and which won't? Which Oregonians will pay more and which Oregonians will get a tax cut on their personal income taxes under Measure 66?

Oregonians now have an easy way to answer those questions with today's release of two flowcharts by the Oregon Center for Public Policy.

"The flowcharts are designed to bring clarity to the debate over Measures 66 and 67," said OCPP executive director Chuck Sheketoff. "We want to help the public and the media understand how the two measures work."

Sheketoff said the impetus for the charts was "widespread confusion about who will be paying more taxes, and how much they will pay." He attributed the confusion to an opposition campaign that is "banking on fear and misinformed voters to beat the odds."

Those odds, according to Sheketoff, are based on the fact that "people, not corporations, vote." About 3 out of 100 taxpayers will see their taxes increase while about 270,000 of Oregon's 1.5 million taxpayers will have a tax cut under Measure 66, according to an analysis by economists in the legislature's revenue office.

"Our flowcharts will break through the campaign noise and dispel the fear created by the opposition," said Sheketoff.

OCPP's [flowchart for Measure 66](#) allows users to determine quickly whether they are among the 270,000 taxpayers who will get a tax cut in 2009 because they received unemployment benefits and whether they are among the 97 out of 100 taxpayers who will not see their personal income taxes rise.

OCPP's [flowchart for Measure 67](#) illustrates how the starting point for determining the measure's impact on a business, if any, is the type of business entity at issue. With one step, the owners of proprietorships can see that they

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will not experience any tax increase. It also takes only one step for other small business owners — the owners of partnerships, limited liability partnerships, limited liability companies and S-corporations — to see that will pay just \$150, no more, as a result of Measure 67.

The flowcharts help Oregonians understand the few additional steps involved for C-corporations, those corporations that pay federal taxes under Subchapter C of the Internal Revenue Code. Under Measure 67, C-corporations first must determine their tax liability based on their taxable income and then subtract their tax credits. They then compare the result with a new minimum tax schedule established by Measure 67 and pay the greater of the two.

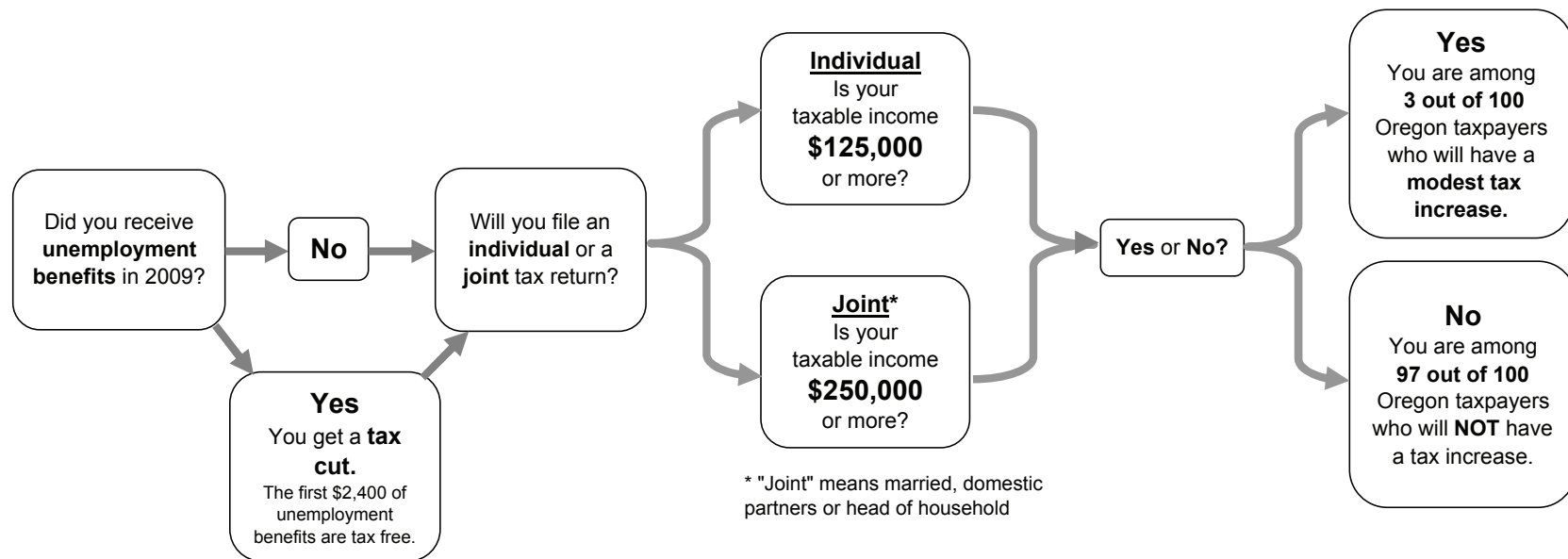
Measure 67 changes the 78-year-old \$10 corporate minimum tax to a sliding scale starting at \$150 in taxes and based on sales. The most a C-corporation with sales of \$500,000 or more would pay under the new minimum tax is \$1.50 for every \$1,000 in sales. The legislature used a proposal from the Oregon Business Association to devise the minimum tax schedule based on sales.

The flow charts show that small C-corporations, those with sales of less than \$500,000, will face a minimum tax of just \$150. Sheketoff noted that if the original \$25 corporate minimum tax had kept up with inflation since 1929 it would be more than double that amount, or \$316.

“As Oregonians discuss Measures 66 and 67 and as the media reports on the issues, these flowcharts will be handy tools to unmask the confusion and put to rest the unwarranted fears that the opponents are creating,” said Sheketoff.

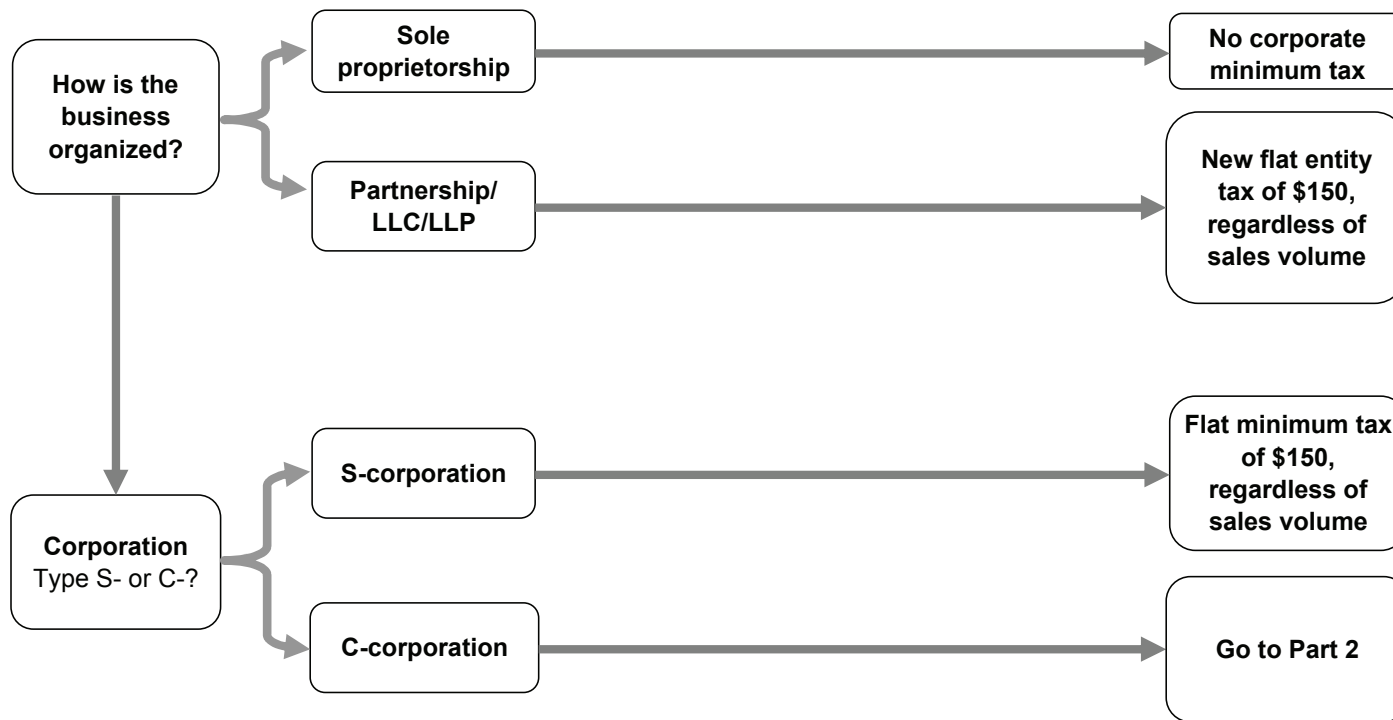
The Oregon Center for Public Policy is a non-partisan research institute that does in-depth research and analysis on budget, tax and economic issues. The Center’s goal is to improve decision making and generate more opportunities for all Oregonians.

Which Oregonians pay more under Measure 66?



Which businesses will pay tax under Measure 67?

Part 1: What kind of business is it?



Which businesses will pay tax under Measure 67?

Part 2: Does the C-corporation pay the minimum tax or the profits tax?

