

Taxing businesses that have no money will cost Oregon jobs.

The residential construction industry has been leveled by this global recession.

- Housing starts are at their lowest levels in decades
- Over 35,000 construction jobs have been lost
- Thousands more jobs in related fields – lumber mills, real estate, banking, title companies, home furnishings, lumber yards – have been eliminated
- Most new homes being sold are being sold at or below the cost of construction

Yet the legislature imposed taxes that will further reduce jobs in these small businesses that are already struggling to keep their doors open.

Measure 66 purports to raise taxes on “higher income” individuals, but that’s not all it does – it actually raises taxes on small businesses that report their business income on their personal tax returns – an estimated 70% of all filers subject to this tax. And it does so retroactively to the beginning of 2009. This tax increase and the end of year tax surprise will cause many struggling Oregon businesses to cut back on benefits or payroll.

Measure 67 imposes a new corporate minimum tax based on Oregon sales, which hits construction right between the eyes because it requires payment whether or not any money was made. In a home building company – where there may be sales volume but there is no income – this will result in further layoffs or reduction of benefits. There is simply no other place from which the taxes can be paid.

An income tax system should tax income, not sales. Changing the system now, in the middle of an economic catastrophe, is not only unfair, it will eliminate thousands of jobs as businesses reduce their costs to pay the state’s increased taxes.

Home building has been a mainstay of Oregon’s economy for many years but the industry is barely treading water. With these taxes, the legislature threw us an anvil instead of a rope.

Please vote NO on Measure 66 and 67.