

OREGON HOUSE REPUBLICAN OFFICE

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House Democrats Move Forward Last-Minute Tax Increases On Party-Line Vote

SB 925-A Skirts State Constitution By Hiding Tax Increases Within Tax Credit Bill

Salem, OR – On a party-line vote this morning, Democrats in the House Committee on Revenue passed a comprehensive tax increase bill, SB 925-A, out of committee and to the floor for a vote later this week. In voting against the tax increase measure, House Republicans raised a number of concerns related to the constitutionality of the proposal, which includes nearly \$180 million in new taxes on employers and middle-class Oregonians. Republicans insisted a three-fifths majority vote in the House will be needed to pass the revenue-raising bill, and warned the bill will be subject to legal challenge in the Oregon Supreme Court if it passes.

"This governmental accounting gimmick is nothing more than a tax increase masquerading in a tax credit bill," said Representative John Davis (R-Wilsonville), who voted against the measure. "We will be providing an alternative bill on the floor without these tax increases, to provide tax relief for Oregon families without this disingenuous and unconstitutional slight of hand. If Democratic legislators want to raise taxes, they should follow the constitution and offer the people of Oregon a transparent up-or-down vote. The Legislature shouldn't skirt the law in order to raise taxes."

SB 925-A seeks to raise revenues by nearly \$180 million over the next six years. Oregon's constitution requires that any revenue-raising measure or tax increase must originate in the House and not the Senate. The constitution also requires that any revenue-raising measure must pass each chamber on a three-fifths majority vote. By stuffing tax increase amendments into SB 925-A, House Democrats are seeking to <u>circumvent both constitutional provisions</u> in order to pass the proposal in the House with just a simple vote.

House Republicans plan to submit a Minority Report to SB 925-A. The alternative legislation would remove the tax increases from the bill and allow lawmakers to evaluate tax relief measures based on their own individual merits.

<u>SB 925-A</u> was passed out of the House Committee on Revenue on a party-line vote by Democratic Representatives Phil Barnhart, Ann Lininger, Tobias Read, Barbara Smith Warner and Jessica Vega Pederson. House Republicans that opposed the measure included Representatives Cliff Bentz, John Davis, Mark Johnson and Gail Whitsett.