

2003 OREGON PUBLIC FINANCE: BASIC FACTS

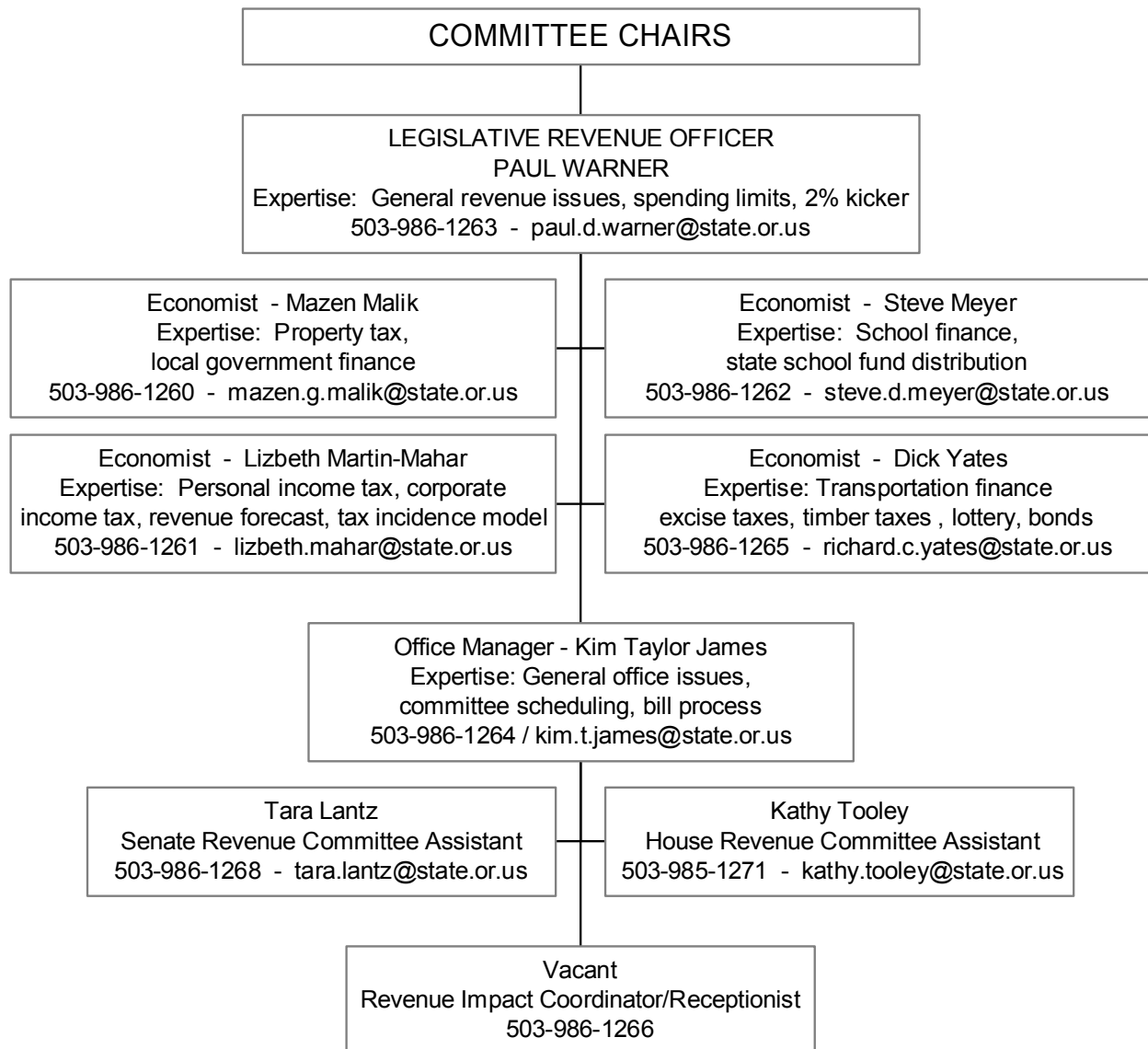
Research Report #1-03

**LEGISLATIVE REVENUE
OFFICE**

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LEGISLATIVE REVENUE OFFICE
2003 LEGISLATIVE SESSION



OVERVIEW OF OREGON'S REVENUE SYSTEM

Taxes are a major issue in every state. Taxes are one of the primary revenue sources used to fund public services. In most cases, taxes are used to fund services such as education and public safety that affect a broad number of citizens. This means that the overall level of taxation is important because it is connected to the level of services. However, taxes also represent a burden on a state's citizens. This means that both the level and the distribution of taxes should be considered in the context of the burden placed on the state's citizens. Finally, taxes are important because they can influence economic activity. This is particularly true for a state economy where labor and capital are free to move across state borders.

Taxes versus Revenue

Taxes are only one source of revenue for state and local governments. The Census Bureau divides state and local general revenue into four categories: taxes, federal funds, charges and miscellaneous. The Census Bureau defines taxes as compulsory contributions exacted by a government for public purposes. Other important sources of revenue include federal government transfers, direct charges for services such as tuition and park fees, and miscellaneous revenue. The largest component of miscellaneous revenue is interest earnings but it also includes lottery revenue.

Table 1 displays the major sources of general revenue received by state and local governments in Oregon. The 1999-2000 fiscal year is the latest in which both state and local revenue are available for all the states. The Census Bureau defines general revenue as all revenue except trust fund revenue and public enterprises. Trust fund revenue includes unemployment and workers' compensation insurance funds and public retirement systems. Public enterprises include government owned utilities and state run liquor monopolies.

Table 1. OREGON'S GENERAL REVENUE MIX

Revenue Source	% of 1989-90 Total	% of 1999-2000 Total
Taxes	54 %	45 % (57 %)
Federal Revenue	20 %	25 % (19 %)
Charges	13 %	18 % (14 %)
Miscellaneous	13 %	12 % (10 %)

(1999-2000 U.S. average shown in parenthesis)

Oregon is considerably less reliant on taxes as a source of revenue than is the average state. In 1999-2000, taxes made up 45 % of Oregon's general revenue. This compares with 57 % for the average state and local revenue system. Oregon has relatively greater reliance on all three of the other major revenue categories. In 1989-90, prior to the passage of Measure 5, Oregon's revenue composition was much closer to the national averages than it is today. One consequence of the property tax limit was to shift Oregon's revenue system away from taxation in general and move toward greater use of non-tax revenue sources.

Oregon's Tax Burden

Measure 5, approved by voters in 1990, significantly reduced Oregon's overall tax burden from its historical level. Tax burden is usually measured by summing up all taxes and dividing by the total amount of personal income for all the residents in a state. Personal income includes wages and salaries, other labor income such as medical and retirement benefits, transfer payments such as social security, interest income and proprietor's income including farm income. Capital gains from the sale of assets such as corporate stock are not included.

Oregonian's state and local tax burden (taxes divided by personal income) was 10.5 % in 2000 (see Table 2). This compares with 12.1 % in 1989, prior to the implementation of Measure 5. The average state and local tax burden was 11.2 % in 2000. 38 states had a higher tax burden than Oregon in 2000, 11 states (Alabama, Colorado, Florida, Missouri, Nevada, New Hampshire, South Carolina, South Dakota, Tennessee, Texas and Virginia) had a lower burden.

Table 2. 1999-00 OREGON'S STATE AND LOCAL TAX SYSTEM

	Oregon % of Personal Income	U.S. % of Personal Income	Oregon's Rank Among the States
Total Taxes	10.5 %	11.2 %	39
Personal Income	4.6 %	2.7 %	2
Corporate Income	0.5 %	0.5 %	18
Sales & Excise	1.0 %	4.0 %	50
Property	3.1 %	3.3 %	25

Composition of Oregon's Taxes

Table 2 also shows the composition of Oregon's state and local taxes. The state's high dependence on the personal income tax is reflected in its number 2 rank among the states in personal income tax burden. Oregon ranks near the middle of the states in corporate income and property tax burden. The property tax burden fell significantly over the past decade due to Measures 5 and 50. In 1988-89, Oregon had the 5th highest property tax burden in the nation. Finally, Oregon has the lowest tax burden among the states for general and selective sales taxes. Selective sales taxes, including cigarette and gasoline, amounted to 1% of personal income in 1999-2000. The national average, reflecting the extensive use of retail sales taxes, is 4.0%. Oregon, Alaska, Montana, Delaware and New Hampshire are the only states without a general retail sales tax.

When considering state taxes only, excluding local taxes, the importance of personal income taxes in Oregon becomes even clearer. In the 2000-2001 fiscal year, 74.4 % of Oregon's state tax revenue came from the personal income tax. The remaining components of state taxes are selective sales taxes (11.3%), corporate income taxes (5.5 %) and other taxes (8.8 %). No other state is as dependent on a single tax source as Oregon is on the personal income tax. The second highest dependence on a single tax source is Washington's reliance on the sales tax (including the business and occupation tax) which made up 63.6 % of Washington's state tax revenue in 2000-2001.

Table 3. HISTORY OF OREGON'S RANK AMONG U.S. STATES OF STATE AND LOCAL TAXES AS % OF PERSONAL INCOME AND PER CAPITA

	OREGON RANK							
	TOTAL TAXES		PERSONAL INCOME TAXES		CORPORATE INCOME TAXES		PROPERTY TAXES	
	% of Income	Per Capita	% of Income	Per Capita	% of Income	Per Capita	% of Income	Per Capita
1982-83	13	18	3	6	23	21	9	13
1983-84	14	21	5	8	26	22	4	10
1984-85	14	20	3	7	28	25	5	10
1985-86	19	23	7	8	23	22	4	8
1986-87	11	21	4	7	34	30	5	8
1987-88	19	27	7	8	28	26	3	8
1988-89	10	21	3	6	35	35	4	7
1989-90	13	19	3	6	32	33	5	7
1990-91	12	20	3	6	34	35	6	11
1991-92	13	22	2	7	37	36	8	12
1992-93	15	24	1	6	26	24	13	16
1993-94	18	24	2	4	24	19	15	16
1994-95	26	27	2	5	24	21	19	20
1995-96	37	32	2	7	29	25	24	26
1996-97	33	27	1	5	21	17	24	17
1997-98	41	33	1	5	32	31	25	28
1998-99	45	33	2	4	27	23	28	30
1999-00	39	29	2	4	18	17	25	29

Distribution of Oregon's Tax Burden

In many states the average tax burden differs significantly from the burden on individual income groups. A state-local tax system is defined as progressive if the tax burden rises as income rises. It is regressive if the tax burden falls with higher income. A system is proportional if the tax burden is roughly the same for different income groups. The Oregon Tax Incidence Model (OTIM) can be used to analyze the distribution of Oregon's state and local taxes. OTIM accounts for tax shifting through changes in prices or wages caused by a tax. This allows the spreading of all taxes, including business taxes among the different income groups. Table 4 indicates the tax burden among income groups after tax shifting.

Table 4. DISTRIBUTION OF OREGON'S STATE AND LOCAL TAX BURDEN

Household Income Group	Effective Tax Rate (Taxes/Household Income)
< \$14,525	13.1 %
\$14,525-\$21,225	10.2 %
\$21,225-\$28,739	9.7 %
\$28,739-\$45,024	10.9 %
\$45,024-\$62,026	11.3 %
\$62,026-\$80,000	11.3 %
\$80,000-126,173	11.4 %
>\$126,173	12.4 %
Total	11.4 %

Oregon's state and local tax burden is distributed in a roughly proportional manner. Most household income groups have a tax rate near the overall average of 11.4 %. (This differs from the 10.5 % tax burden discussed above because household income and personal income are different measures.) However, the lowest household income group has an above average tax burden. This is primarily due to the property tax. The property tax imposes a relatively high burden on low-income seniors and renters. In addition, OTIM assumes property taxes on many businesses are shifted onto consumers in the form of higher prices. This has a disproportionate effect on lower income households. Oregon's highest income households also pay a slightly higher tax rate than the average household. This gives the tax system a progressive segment. The primary reason for the higher effective rate for this group is the progressive nature of the state's personal income tax.

Summary

- Compared to most states, Oregon is less dependent on taxes as a revenue source.
- Oregon's state and local tax burden is relatively low.
- Oregon's personal income tax burden is 2nd highest in the nation
- State government is highly dependent on the personal income tax as a source of revenue.
- Oregon's property tax burden is about average.
- Oregon's consumption tax burden (general plus selective sales taxes) is the lowest in the nation.
- Oregon's state and local tax burden is distributed in a roughly proportional way with slightly higher tax rates at the low and high end of the income spectrum.

STATE REVENUE AND EXPENDITURES

Recent state budget history is shown in Table 5. The table shows state General Fund revenue and expenditures and state All Funds revenue and expenditures for the 1989-2003 period. All Funds revenue is not shown for the 2001-03 biennium because reliable estimates are not available. The table also shows values for total personal income of Oregon residents, total Oregon population and the consumer price index.

The General Fund Budget

The General Fund budget grew 151 % between the 1989-91 biennium and the legislatively adopted 2001-03 budget. Table 5 also shows the General Fund budget adopted by the

Legislature in Special Session V, following large declines in the General Fund revenue forecast for 2001-03. The Special Session V budget is 14.7 % lower than the budget approved during the regular legislative session. However, over ½ of this reduction was offset by use of non-general fund revenue and changes in accounting practices.

The impact of the 2001-02 recession is clearly visible in the 2001-03 General Fund revenue numbers. Fueled by the strong economy and stock market boom, General Fund resources (revenue plus beginning balance) increased 112.3 % between the 1989-91 and 1999-2001. However, 2001-03 General Fund resources are estimated (December 2002 forecast) to have declined 8.4% relative to the prior biennium.

Table 5 also contains general growth measures for comparative purposes. Between 1990 and 2002, Oregon personal income (a measure of the overall state economy) increased 93.8 %, while the state's population grew 22.7 %. The general price level, as measured by the U.S. consumer price index increased 37.8 % over the twelve-year period.

The All Funds Budget

The All Funds budget is a much more comprehensive measure of the state's finances. However, it contains large revenue sources, such as public employee retirement contributions and earnings that are not available for the provision of general public services. The All Funds budget grew slightly less than the General Fund budget between 1989-91 and 1999-2001. Like the General Fund budget, education and public safety grew in relative terms. However, the degree of increase is less pronounced in the broader All Funds budget.

All Funds revenue increased 86.8 % between 1989-91 and 1999-2001, slightly faster than personal income growth. Personal income increased 81.8 % between 1990 and 2000. All Funds revenue slowed significantly in the 1999-2001 biennium due to a sharp drop in interest earnings. Interest earnings are strongly influenced by the performance of the financial markets.

TABLE 5
STATE BUDGET HISTORY: 1989-2003

GENERAL FUND BUDGET (IN MILLIONS)								
PROGRAM AREA	1989-91	1991-93	1993-95	1995-97	1997-99	1999-01	2001-03 *	2001-03 **
EDUCATION	\$2,176.9	\$2,995.9	\$3,572.3	\$4,131.0	\$5,096.0	\$5,788.2	\$6,392.3	\$5,249.0
HUMAN RESOURCES	\$1,201.7	\$1,439.6	\$1,618.1	\$1,872.8	\$1,924.0	\$2,274.4	\$2,634.1	\$2,401.7
PUBLIC SAFETY	\$416.2	\$486.2	\$608.4	\$769.7	\$1,000.5	\$1,176.1	\$1,346.2	\$1,254.4
ECON. & COMM. DEV. + CONS & BUS. SERV.	\$117.6	\$59.2	\$29.0	\$31.1	\$42.0	\$41.6	\$42.1	\$30.5
NAT. RES.	\$115.4	\$111.6	\$104.1	\$101.3	\$162.8	\$146.8	\$167.0	\$145.8
TRANS.	\$1.0	\$1.2	\$0.1	\$0.3	\$0.8	\$4.5	\$20.1	\$17.3
ADMIN.	\$260.3	\$137.1	\$114.7	\$119.2	\$119.8	\$135.0	\$156.7	\$150.1
LEGISLATURE	\$36.5	\$35.9	\$36.5	\$38.6	\$42.4	\$54.1	\$59.7	\$55.6
JUDICIAL	\$206.9	\$238.0	\$261.8	\$283.1	\$316.3	\$359.1	\$413.1	\$372.7
MISC.	\$0.0	\$0.0	\$65.0	\$80.0	\$80.0	\$146.2	\$140.0	\$21.0
TOTAL	\$4,532.5	\$5,504.7	\$6,410.1	\$7,426.9	\$8,784.5	\$10,125.9	\$11,371.3	\$9,698.1

* ADOPTED

** SPECIAL SESSION V

GENERAL FUND RESOURCES (IN MILLIONS)							
	1989-91	1991-93	1993-95	1995-97	1997-99	1999-01	2001-03*
BEGINNING BALANCE	\$298.14	392.2	\$366.40	\$496.33	\$800.10	\$338.14	\$362.97
PERSONAL INCOME TAXES	3,853.90	4561.89	5381.1	6303.37	7123.1	8,737.00	8,061.24
CORPORATE INCOME TAXES	297.4	354.93	575.77	684.44	589.1	754.90	395.40
OTHER TAXES	283.6	321.3	398.65	428.24	336.77	325	343.9
OTHER REVENUE	193.20	239.28	180.58	315.55	275.63	305.00	422.06
TOTAL	\$4,926.24	\$5,869.60	\$6,902.50	\$8,227.93	\$9,124.70	\$10,460.04	\$9,585.57

*DECEMBER 2002 FORECAST

ALL FUNDS BUDGET (IN MILLIONS)							
PROGRAM AREA	1989-91	1991-93	1993-95	1995-97	1997-99	1999-01	2001-03*
EDUCATION	\$4,011.4	\$5,186.6	\$5,451.0	\$6,878.7	\$8,481.6	\$9,498.0	\$10,582.0
HUMAN RESOURCES	\$2,764.4	\$3,589.0	\$4,373.5	\$5,196.4	\$6,193.1	\$7,553.3	\$9,171.7
PUBLIC SAFETY	\$584.3	\$649.8	\$820.0	\$1,811.7	\$1,481.7	\$1,977.2	\$2,266.7
ECON. & COMM. DEV. + CONS & BUS. SERV.	\$3,596.4	\$4,271.1	\$4,166.6	\$4,178.0	\$4,020.0	\$3,998.2	\$5,135.9
NAT. RES.	\$635.1	\$803.6	\$708.7	\$707.0	\$956.6	\$1,152.7	\$1,225.6
TRANS.	\$1,129.2	\$1,253.8	\$1,361.8	\$1,559.8	\$1,735.6	\$1,660.8	\$1,806.8
ADMIN.	\$1,794.9	\$1,429.2	\$1,672.1	\$2,546.2	\$3,389.8	\$4,058.8	\$4,342.0
LEGISLATURE	\$41.1	\$39.6	\$42.6	\$43.7	\$46.6	\$57.9	\$62.7
JUDICIAL	\$208.2	\$239.7	\$264.7	\$286.7	\$321.6	\$368.4	\$406.3
MISC.	\$0.0	\$0.0	\$65.0	\$80.0	\$80.0	\$0.0	\$0.0
TOTAL	\$14,765.0	\$17,462.4	\$18,926.0	\$23,288.2	\$26,706.6	\$30,325.3	\$34,999.7

*ESTIMATED

ALL FUNDS REVENUE (IN MILLIONS)						
	1989-91	1991-93	1993-95	1995-97	1997-99	1999-01
TAXES	\$6,636.8	\$7,643.3	\$8,951.3	\$10,228.4	\$11,363.3	\$13,168.9
FEDERAL FUNDS	\$3,157.7	\$4,243.8	\$4,688.5	\$5,197.4	\$6,488.6	\$7,352.3
INTEREST EARNINGS	\$3,304.8	\$4,385.4	\$4,206.6	\$5,127.4	\$9,238.6	\$4,249.2
DONATIONS	\$1,446.3	\$1,540.5	\$1,522.1	\$1,681.9	\$1,950.8	\$2,917.5
BOND SALES	\$629.0	\$609.6	\$573.3	\$1,277.8	\$1,316.5	\$1,768.1
LIQUOR & OTHER SALES	\$351.6	\$371.4	\$361.2	\$383.7	\$430.6	\$508.8
LOAN REPAYMENTS	\$1,116.5	\$1,318.1	\$1,243.5	\$934.2	\$945.3	\$673.4
CHARGES	\$1,118.2	\$1,312.8	\$964.4	\$1,037.4	\$1,243.0	\$1,740.5
LICENSES & FEES	\$434.9	\$497.0	\$510.6	\$547.6	\$664.2	\$711.4
LOTTERY	\$84.2	\$184.5	\$447.0	\$576.4	\$608.1	\$630.6
OTHER	\$412.0	\$403.9	\$450.0	\$537.4	\$550.1	\$1,136.9
TOTAL	\$18,692.0	\$22,510.3	\$23,918.5	\$27,529.6	\$34,799.1	\$34,857.6

GROWTH MEASURES							
	1990	1992	1994	1996	1998	2000	2002
OREGON PERSONAL INC.(BILL.)	\$52,178	\$58,163	\$66,130	\$75,561	\$85,262	\$94,854	\$101,100
OREGON POPULATION(MILL.)	2.86	2.99	3.12	3.24	3.35	3.44	3.51

U.S. CONSUMER PRICE INDEX	130.7	140.3	148.2	156.9	163	172.2	180.1
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Summary of Oregon Taxes

Table 6 shows all Oregon state taxes and a summary of local taxes for the two most recent fiscal years. The impact of the 2001-02 recession can also be seen in the overall tax figures. Large declines characterize both personal and corporate income taxes, thereby explaining the decline in General Fund revenue. Labor and transportation taxes have been influenced by tax policy changes but they also reflect the state's weak economy over the past two years. Weakness in the state's labor markets shows up as flat to down unemployment taxes and other labor taxes. Lower gasoline and weight mile taxes are indicative of slower overall economic activity.

Table 6. SUMMARY OF OREGON TAXES

STATE	1999-00 COLLECTIONS	2001-02 COLLECTIONS
PERSONAL INCOME TAX	\$4,126,282,123	\$3,677,677,986
UNEMPLOYMENT INSURANCE TAXES	515,573,900	513,536,900
GASOLINE AND USE FUEL TAXES	394,167,788	392,069,776
CORPORATE INCOME TAX	405,220,686	195,180,047
WEIGHT MILE TAX	224,954,955	189,388,753
CIGARETTE TAX	163,960,272	154,981,172
INSURANCE TAXES	59,602,111	65,998,038
OTHER LABOR TAXES	104,213,309	89,360,245
TIMBER SEVERANCE TAXES	32,843,222	18,875,225
INHERITANCE TAX	47,684,649	65,201,985
WORKERS' COMP INSURANCE TAXES	42,293,900	43,546,791
TELEPHONE EXCHANGE ACCESS TAX	26,320,757	30,393,245
OTHER TOBACCO PRODUCTS TAX	20,374,525	20,053,176
REAL ESTATE RECORDING TAX	20,636,689	26,601,971
BEER & WINE TAXES	12,377,350	12,677,098
FOREST PRODUCTS HARVEST TAXES	11,110,002	9,671,710
ELECTRIC COOP TAX	6,715,185	4,562,691
PHONE ACCESS SURCHARGE	3,143,941	4,052,817
AMUSEMENT DEVICE TAX	1,817,543	1,911,253
HAZARDOUS SUBSTANCE TAXES	2,406,331	2,445,115
AVIATION GAS AND JET FUEL TAXES	1,978,104	2,308,533
PETROLEUM LOADING FEE	1,272,955	1,256,440
BOXING TAX	69,034	5,156
PRIVATE RAIL CAR TAX	100,589	100,589
OIL & GAS SEVERANCE TAX	128,445	128,445
DRY CLEANERS TAX	695,302	810,271
LOCAL TAXES	1999-00 COLLECTIONS	2001-02 COLLECTIONS
PROPERTY TAXES*	2,800,781,460	3,251,868,000
TRANSIT PAYROLL & SELF EMPLOYMENT TAXES	163,488,288	172,581,331
FRANCHISE TAXES	106,657,000	143,458,000
HOTEL-MOTEL	56,300,00	62,500,000
PORTLAND BUSIUNESS LICENSE TAX	50,794,774	45,941,414
MULTNOMAH COUNTY BUSINESS INCOME TAX	40,846,593	26,935,000
MOTOR FUEL TAXES	9,837,758	9,321,000
WASHINGTON COUNTY REAL ESTATE TRANSFER TAX	2,840,473	3,152,336
OTHER TAXES AND LICENSES	236,000,000	259,000,000

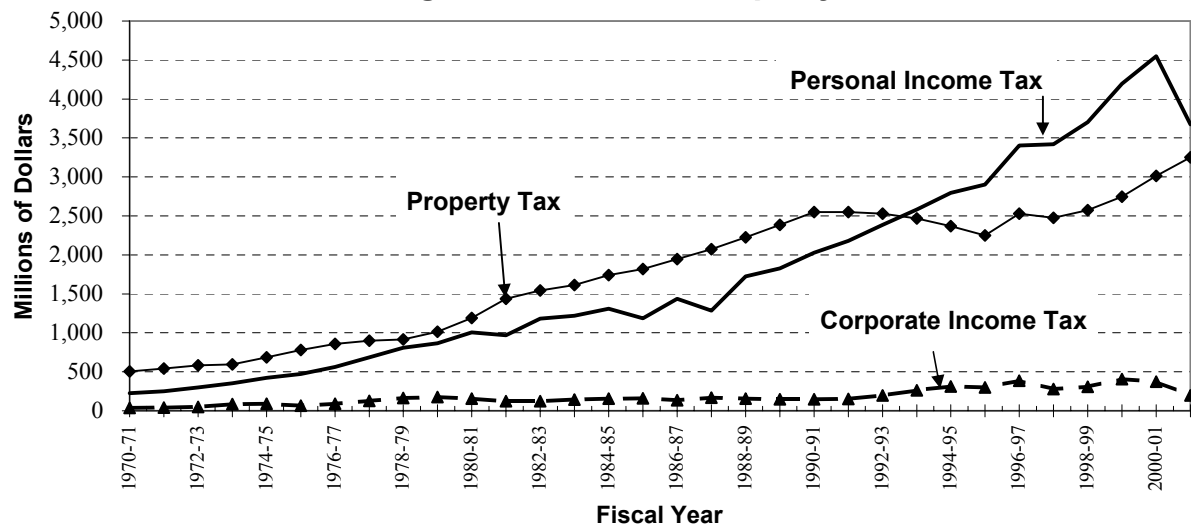
*Property taxes imposed, not actual collections

Table 7
HISTORY OF TAX COLLECTIONS - BY MAJOR TAX SOURCE
(millions of dollars)

FISCAL YEAR	PERSONAL INCOME TAX		CORPORATE INCOME TAX		PROPERTY TAX	
	Receipts	% Change	Receipts	% Change	Receipts	% Change
1968-69	\$204.3		\$37.5			
1969-70	213.1	4.3%	39.9	6.2%		
1970-71	226.2	6.2%	36.5	-8.4%	\$503.2	
1971-72	251.2	11.0%	40.6	11.1%	541.3	7.6%
1972-73	300.6	19.6%	51.1	25.9%	583.9	7.9%
1973-74	352.4	17.2%	85.7	67.7%	595.3	2.0%
1974-75	424.0	20.3%	90.7	5.8%	687.1	15.4%
1975-76	472.1	11.4%	67.2	-25.9%	778.5	13.3%
1976-77	561.9	19.0%	91.2	35.6%	860.0	10.5%
1977-78	686.2	22.1%	125.6	37.7%	901.0	4.8%
1978-79	807.0	17.6%	166.0	32.2%	916.0	1.7%
1979-80	868.0	7.6%	177.4	6.9%	1,014.4	10.7%
1980-81	1,005.1	15.8%	155.5	-12.4%	1,191.3	17.4%
1981-82	968.3	-3.7%	124.2	-20.1%	1,435.6	20.5%
1982-83	1,181.7	22.0%	125.1	0.8%	1,543.6	7.5%
1983-84	1,220.8	3.3%	144.8	15.7%	1,612.3	4.5%
1984-85	1,310.7	7.4%	153.9	6.3%	1,740.0	7.9%
1985-86	1,188.0	-9.4%	161.8	5.1%	1,819.2	4.6%
1986-87	1,435.8	20.9%	135.7	-16.1%	1,946.5	7.0%
1987-88	1,283.7	-10.6%	167.0	23.1%	2,072.9	6.5%
1988-89	1,725.3	34.4%	157.0	-6.0%	2,223.7	7.3%
1989-90	1,827.6	5.9%	146.8	-6.5%	2,386.0	7.3%
1990-91	2,026.3	10.9%	149.1	1.6%	2,550.6	6.9%
1991-92	2,178.7	7.5%	150.9	1.2%	2,549.9	0.0%
1992-93	2,383.2	9.4%	198.0	31.2%	2,529.0	-0.8%
1993-94	2,583.5	8.4%	262.8	32.7%	2,466.4	-2.5%
1994-95	2,797.6	8.3%	311.8	18.6%	2,369.8	-3.9%
1995-96	2,901.7	3.7%	300.0	-3.8%	2,248.1	-5.1%
1996-97	3,401.7	17.2%	384.4	28.1%	2,527.9	12.4%
1997-98	3,420.7	0.6%	279.2	-27.4%	2,476.5	-2.0%
1998-99	3,702.4	8.2%	309.9	11.0%	2,572.2	3.9%
1999-00	4,197.3	13.4%	405.2	30.8%	2,745.1	6.7%
2000-01	4,548.2	8.4%	373.0	-7.9%	3,014.0	9.8%
2001-02	3,675.0	-19.2%	195.2	-47.7%	3,251.8	7.9%

Source - Department of Revenue

Oregon Income and Property Taxes



2 % SURPLUS KICKER

How it Works

The 2% surplus kicker is part of the Oregon constitution (Article IX, Section 14). It gives taxpayers an income tax refund or credit if actual revenues for the biennium are more than 2% higher than forecast at the time the budget was adopted.

The kicker law divides all General Fund money into two pots: (1) corporate taxes and (2) personal income taxes plus all other revenues. At the end of each biennium, if the actual collections in either of these two pots are more than 2% higher than was forecast at the close of the regular session, then a refund or credit must be paid. If a kicker is triggered in a pot then all the money in that pot in excess of the close of session forecast, including the 2%, is returned to taxpayers.

Surpluses in the corporate pot fund a corporate tax credit. The credit is calculated as a proportional reduction in the taxes of each corporate taxpayer. The credit is claimed in the tax year in which the biennium ends.

Surpluses in the "all other" pot fund a personal income tax refund. Taxpayers receive a check by December 1st of the year the biennium ends. The amount refunded is an identical proportion of each taxpayer's personal income tax liability for the prior year. For example, if the kicker refund is 5% and the taxpayer had a liability of \$1,000, he or she would receive a refund of \$50.

The estimate upon which the kicker calculation is based can be increased, thereby reducing or eliminating the kicker refund/credit, on a one-time basis if an emergency is declared and approved by a 2/3 vote in each chamber of the Legislative Assembly.

History

The 1979 Legislature enacted a surplus kicker statute along with a spending limit and a major tax relief plan. Voters approved this package in the 1980 primary election. The 1999 Legislature referred a constitutional amendment placing much of the kicker statute in the Oregon constitution. Voters approved the amendment in November of 2000. The constitutional provision first applies to the kicker calculation following the 2001-03 biennium.

Table 8 shows the history of the surplus kicker. A severe recession dropped revenues far short of the forecast in the first two biennia after enactment. The table actually understates the recession's effect. If the Legislature had not increased taxes in special session the shortfall would have been much larger than shown in the table.

Faced with Measure 5 budget problems, the Legislature suspended the kicker in 1991 and 1993. Kickers would have triggered in just one of the two pots in each of those biennia. The 1995 personal income tax refund was the first one paid by check. Prior to 1995, the personal kicker was paid through a tax credit like the corporate kicker.

Table 8. 2% KICKER (1979/81 – 2001/03)

SURPLUS KICKER HISTORY					
Biennium	Tax Year	Personal		Corporate	
		Surplus/ Shortfall (\$ million)	Credit/ Refund (% of liability)	Surplus/ Shortfall (\$ million)	Credit (% of liability)
1979-81	1981	-141	None	-25	None
1981-83	1983	-115	None	-110	None
1983-85	1985	89	7.7%	13	10.6%
1985-87	1987	221	16.6%	7	6.2%
1987-89	1989	175	9.8%	36	19.7%
1989-91	1991	186	Suspended	-23	None
1991-93	1993	60	None	18	Suspended
1993-95	1994/5	163	6.27%	167	50.1%
1995-97	1996/7	432	14.4%	203	42.2%
1997-99	1998/9	167	4.6%	-69	None
1999-01	2000/1	254	6.0%	-44	None
2001-03*	2002/03	-1,368	None	-464	None
* December 2002 Forecast					

Large corporate kicker credits were applied following the 1993-95 and 1995-97 biennia. Corporations have not been eligible for a corporate kicker credit since the 1995-97 biennium. Personal income tax kicker refunds have been distributed after each of the past four biennia. These refunds have averaged 7.8% with the largest (14.4%) following the 1995-97 biennium.

The chances for either a personal or corporate income tax refund/credit following the 2001-03 biennium are extremely remote. The December 2002 forecast projects corporate revenue at \$395 million, less than ½ the regular session estimate. This means that the corporate revenue forecast is \$481 million below the amount needed to trigger the 2 % kicker credit. The projection for all other General Fund revenue is also well below the level required to trigger kicker refunds. Personal income tax collections plus all other non-corporate General Fund revenue is \$1,368 million below the regular session estimate and \$1,572 million below the 2 % kicker threshold.

For the twelve biennia in which the kicker has been in effect, including the current biennium, the personal income tax trigger has been exceeded eight times. Kicker refunds/credits were distributed on seven occasions and suspended once. Four times, including the current biennium, revenue has fallen short of the 2 % personal income tax trigger. A recession occurred in each of these four biennia. For the corporate calculation, actual collections have exceeded the trigger six times and fallen below six times. Of the six times in which the corporate trigger was exceeded, the kicker was credited to corporate taxpayers five times and suspended once.

EFFECT OF TAX CHANGES

The table contains rough approximations of the static revenue impacts of selected tax changes. All figures are in millions of dollars. The figures assume that the proposed change is fully phased in. In many cases, because of time lags in the system, a proposed tax change would not have the effect shown here in the first year of the change.

TAX REDUCTIONS	Revenue Effect (in millions)		
	FY 2003-04	FY 2004-05	2003-05 Biennium
Property Tax			
Personal Property Tax Threshold (current law: accounts under \$12,500 in Assessed Value are exempt from Taxes) Increase the Tax Exempt Threshold to \$20,000 of Assessed Value	-\$3.2	-\$3.3	-\$6.5
Senior Homeowner Property Tax Exemption (current law: no property tax exemption for seniors) Establish a property tax exemption for seniors 70 years or older with annual household incomes less than \$20,000 and 100% of property taxes are paid on homes with less than \$150,000 in assessed value	-101.5	-105.3	-206.8
Personal Income Tax			
Earned Income Credit (EIC)			
Increase EIC to 10% of federal EIC (non-refundable)	-8.1	-8.2	-16.3
Increase EIC to 15% of federal EIC (non-refundable)	-14.7	-14.9	-29.6
Convert non-refundable 5% EIC to 5% refundable credit	-7.0	-7.3	-14.3
Rate Reductions (current rates 5% – 7% – 9%)			
Reduce rates 1 percentage point (to 4 - 6 - 8%)	-602.4	-646.1	-1,248.5
Reduce rates 1/2 percentage point (to 4.5 - 6.5 - 8.5%)	-301.5	-323.4	-624.9
Reduce rates 1/4 percentage point (to 4.75 - 6.75 – 8.75%)	-150.8	-161.8	-312.6
Reduce rates 0.1 percentage point (to 4.9 - 6.9 - 8.9%)	-60.3	-64.8	-125.1
Tax Bracket Changes			
Double width of 5% and 7% brackets	-224.9	-235.3	-460.2
Widen 5% and 7% brackets by \$2,000 (\$4,000 on joint returns)	-97.2	-100.4	-197.6
Income Exemptions and Deductions			
\$1,000 income exemption (\$2,000 on joint returns)	-187.2	-189.8	-377.0
Double standard deduction (currently \$1,800 single; \$3,000 joint)	-158.6	-161.1	-319.7
Maximum tax subtraction of \$5,000 and indexed to inflation (M-88)	-88.5	-48.5	-137.0
Increase maximum subtraction for federal income taxes to \$10,000	-271.7	-181.8	-453.5
No limit on maximum subtraction for federal income taxes	-884.9	-676.3	-1,561.2
Credits			
Increase personal exemption credit \$10	-46.4	-48.3	-94.7
Capital Gains (currently taxed at 5-7-9% rates)			
Reduce tax rate on capital gains to 5%	-65.2	-107.9	-173.1
Reduce tax rate on capital gains to 4%	-84.7	-133.6	-218.3
Corporate Income Tax			
Reduce corporate tax rate 0.1 percentage point (to 6.5%)	-5.2	-5.7	-10.9
Reduce corporate tax rate 1 percentage point (to 5.6%)	-52.2	-57.2	-109.4

TAX INCREASES/NEW TAXES	Revenue Effect (in millions)		
	FY 2003-04	FY 2004-05	2003-05 Biennium
Statewide Property Tax for School Districts			
Establish an additional tax rate of \$1 per \$1,000 of assessed value for all school districts statewide that is outside the Measure 5 limit (could need a constitutional change)	\$223	\$235	\$448
Personal Income Tax			
Increase All Rates 5% (5.25, 7.25, 9.45%)	252.9	271.7	524.6
Increase All Rates 7% (5.35, 7.5, 9.63%)	354.9	381.3	736.2
Increase All Rates 10% (5.5, 7.7, 9.9%)	506.0	543.7	1,049.7
Increase All Rates 1 Percentage Point (6, 8, 10%)	605.1	648.9	1,254.0
Increase Top Tax Rate to 9.5%	234.4	235.3	469.7
Increase Rate to 10% for Income Above \$100,000 Joint (indexed)	117.3	133.0	250.3
Increase Rate to 10% for Income Above \$50,000 Joint (indexed)	215.2	238.8	454.0
Increase Rate to 10% for Income Above \$30,000 Joint (indexed)	323.5	354.2	677.7
Increase Rate to 10% for Income Above \$20,000 Joint (indexed)	402.1	436.8	838.9
Repeal Phase-in of Higher Federal Tax Subtraction (Set Maximum Federal Tax Subtraction at \$3,000)	39.1	67.4	106.5
1% Surtax	45.6	49.0	94.6
Reduce Personal Exemption Credit by \$10	49.9	50.6	100.5
Limit Interest Deduction on Mortgages to \$15,000	30.6	35.3	65.9
Corporate Income Tax			
1% Surtax	3.5	3.8	7.3
Increase Rate One Percentage Point (to 7.6%)	52.2	57.1	109.4
Sales Taxes			
Broad Retail Sales Tax – 1% Rate (exempts shelter)	725	747	1,472
Restricted Retail Sales Tax – 1% Rate (exempts shelter, food, health care, medicines and utilities)	551	568	1,119
Broad Retail Sales Tax – 3% Rate (exempts shelter)	2,176	2,241	4,416
Restricted Retail Sales Tax – 3% Rate (exempts shelter, food, health care, medicines and utilities)	1,654	1,704	3,358
Business Activity Taxes			
Washington Gross Receipts Tax (B&O)– .1% Rate (no income tax credit)	237.7	251.6	489.3
Business Activities Tax (first \$25,000 of tax base is exempt) – 1% rate	439.4	471.3	910.7
Excise Taxes			
Washington Real Estate Transfer Tax – 1% Rate	212.5	225.5	438.0
Increase Cigarette Tax by 10¢ per Pack	15.8	16.2	32.0
Increase Other Tobacco Products by 10% of wholesale price	2.5	2.5	5.0
Increase Beer Tax by \$1 per barrel	2.5	2.5	5.0
Increase Wine Tax by 25¢ per gallon	2.3	2.3	4.6
Increase OLCC Mark-up by 10% (current = 101%)	10.7	11.6	22.3
Transient Lodging Tax – 1% Rate (no exemption amount)	9.3	9.8	19.0
New Lottery Games			
Line Games	35.0	35.0	70.0

OREGON INCOME TAXES

Personal Income Tax

Oregon residents and nonresidents earning income in Oregon pay the personal income tax. Oregon taxable income is the same as federal taxable income with some adjustments. Under a 1997 law, Oregon is continuously tied to the definition of federal taxable income. See page C5 for the tax calculation.

Tax rates range from 5% to 9% of taxable income. Taxable income is total income less exclusions and either the standard or itemized deductions. Due to deductions and credits, the average effective tax rate is just below 6% of adjusted gross income. Since 1993, the income tax brackets have been indexed to changes in the U.S. Consumer Price Index. The rate schedule for the most recent tax year is shown below:

2002 TAX YEAR RATE SCHEDULE

SINGLE RETURNS		JOINT RETURNS	
<u>Taxable Income</u>	<u>Tax Before Credits</u>	<u>Taxable Income</u>	<u>Tax Before Credits</u>
Not over \$2,500	5% of taxable income	Not over \$5,000	5% of taxable income
\$2,500 to \$6,250	\$125 + 7% of income over \$2,500	\$5,000 to \$12,500	\$250 + 7% of income over \$5,000
Over \$6,250	\$388 + 9% of income over \$6,250	Over \$12,500	\$775 + 9% of income over \$12,500

In 2000, all personal income tax returns in Oregon had a total of \$71 billion of adjusted gross income and Oregon taxpayers paid a total of \$4.19 billion in personal income tax. In tax year 2000, the average adjusted gross income for all returns was \$43,615. The average Oregon tax after credits per tax return was \$2,577.

The standard deduction is \$3,280 on a joint return, \$1,640 on a single return, \$1,500 on a separate return and \$2,640 for a head of household. Beginning 2003 these amounts are indexed to changes in the U.S. Consumer Price Index. Blind or elderly (65+) taxpayers get an extra \$1,200 standard deduction on a single return and an extra \$1,000 per eligible person on a joint return. In 2000, the average total deduction per tax return was \$7,111.

A personal exemption credit is allowed all taxpayers and dependents. This credit is indexed for inflation and equals \$145 for 2002. The average credit per tax return taken in 2000 was \$287.

Oregon taxes both individual and small business income through the personal income tax system. Owners and shareholders of small businesses, like sole proprietors and S-corporations, pay personal income taxes on the profits from these businesses. In 2000, the total number of sole proprietors was 208,481 and the total number of S-corporations was 42,754. The total amount of adjusted gross income that small businesses generated in 2000 was \$4.25 billion (6% of all taxable income). Trends in Oregon's small businesses from 1990 to 2000 can be seen on pages C12 and C13. Between 1990 and 2000, there has been an increase in both the number of sole proprietors by 10% and S-corporations by 132%.

Personal income tax collections are the largest source of state tax revenue, comprising 87% of the General Fund in 2001-03. Total collections were approximately \$3.4 billion in FY 1997-98, \$3.7 billion in FY 1998-99, \$4.2 billion in FY 1999-00, \$4.5 billion in FY 2000-01 and \$3.7 billion in FY 2001-02. Approximately 1.6 million returns were filed in 2001 (2000 tax year returns).

Corporate Excise Tax

C-Corporate net income attributable to Oregon is taxed under the corporate excise tax. The tax rate is 6.6%. Oregon uses federal taxable income with some modifications as its tax base. Under a 1997 law, Oregon is continuously tied to the definition of federal taxable income.

Corporations pay taxes only on income attributable to Oregon. A three-factor formula utilizing property, payroll and sales is used to apportion income to Oregon. Changes to the apportionment formula were made during the 2001 legislative session and this change will be effective for corporate tax years beginning on or after May 1, 2003. The weight on the sales factor will be increased from .5 to .8 and the weights on the property and payroll factors will be decreased from .25 to .1. Closely related corporations are treated as one (unitary principle) if they appear on the same consolidated federal return. This effectively restricts Oregon to the "water's edge" since the federal consolidated return does not contain foreign corporations.

C-corporations can be divided into two groups: corporations which do business only in Oregon and those which do business in multiple states. In 2000, the total number of Oregon only corporate returns was 24,610 (68% of total corporate returns) and the total number of multi-state corporations was 11,756 (32% of all 36,366 corporate returns). The total taxable income of multi-state corporations was \$6.45 billion (87% of total taxable income) and total taxable income of Oregon only corporations was \$.97 billion (13% of total taxable income). Page C10 illustrates the trends in the Oregon only and multi-state corporations between 1990 and 2000. Over the past ten years, the number of Oregon only corporations has declined by 10% but the number of multi-state corporations has increased by 45%.

The corporate excise and income tax is the second largest tax source for the state General Fund, providing 4.3% of General Fund revenues in the 2001-03 biennium. Corporate excise tax collections were \$275 million in FY 1997-98, \$314 million in FY 1998-99, \$382 million in FY 1999-00, \$373 million in FY 2000-01 and \$195.2 million in FY 2001-02. The Department of Revenue processes approximately 36,370 C-corporation returns each year. S-corporations pay a \$10 annual tax but do not pay the corporate tax based on their net income.

INCOME TAX HISTORY

In 1917 the Oregon Constitution was amended to allow a progressive income tax. In 1923 an income tax was adopted by the legislature and approved by a state wide vote. The tax was collected for only one year. A successful initiative petition repealed it in 1924.

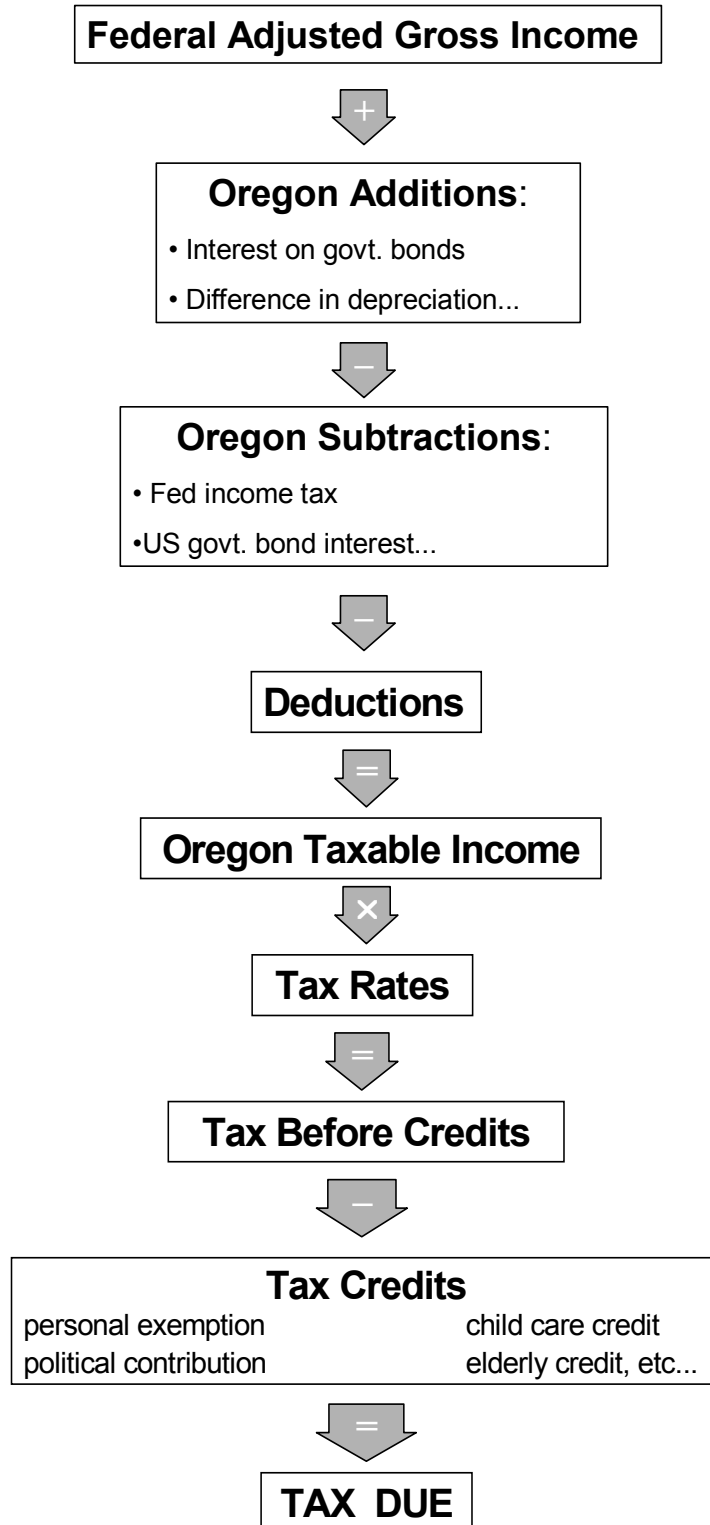
Subsequent to 1924 three initiative petitions and a legislative referral failed at the polls. The 1929 legislature adopted an income tax dedicated to reducing the state property tax. The tax was brought to a vote by referendum. It was approved by the voters in 1930. By 1938 the state property tax was completely offset by income tax collections, except for 1940, no state property tax has been collected since.

Here are some major changes in the tax since 1929:

1933	First rate and exemption change, designed to offset depression revenue losses, increased bottom rate from 1% to 2% and top rate from 5% to 7%.
1939	Rates changed again, top rate still 7% but hit at \$4,000 rather than \$5,000.
1943	"Walker Plan" adopted, designed to cope with additional revenue from increased wartime economic activity, reduced tax liability 5% for each extra \$1 million in taxes collected. The "Walker Plan" was modified in 1945, suspended in 1947 and repealed in 1949.
1947	Withholding on wages begins. Rates changed, additional bracket added at 8% for income over \$8,000.
1953	Income tax placed into general fund rather than property tax relief account. Personal exemption set equal to federal exemption.
1955	45% surcharge imposed, in effect for 1955 and 1956.
1957	Rate structure changed, ranges from 3% at bottom to 9.5% for income over \$8,000.
1959	Special capital gains treatment begins.
1969	Federal income tax base adopted. Rate schedule adjusted, 4% to 10% for income over \$5,000.
1971	Planned federal increases in the personal exemption and standard deduction threaten Oregon revenue. Oregon freezes to IRC as of December 31, 1971.
1975	Oregon reconnects to federal code but maintains separate standard deduction and personal exemption.
1979	9% income tax refund for 1978 taxes. 2% surplus kicker created. Personal exemption increased and indexed for inflation.
1981	Federal changes threaten state revenue, Oregon freezes to federal code as of December 31, 1980. Personal exemption indexing delayed.
1982	Rates increased, 4.2% to 10.8%.
1983	Federal conformity updated to December 31, 1982, except for ACRS. \$85 personal tax credit replaces personal exemption.

1985	Rates revert to 4% to 10% structure. Oregon law fixed to federal code as of December 31, 1984.
1987	Federal conformity updated to December 31, 1986, connects Oregon to the 1986 federal tax reforms (including full taxation of capital gains). Tax rates reduced (5% to 9% over \$5,000), standard deduction increased.
1989	Federal conformity updated to December 31, 1988. Double weighted sales in apportionment formula.
1991	Federal conformity updated to December 31, 1990. Tax brackets indexed beginning in 1993. Taxed all pension income, with new retirement credit. Allows nonresident credit for tax paid to other states.
1993	Federal conformity updated to December 31, 1992.
1995	Federal conformity updated to April 15, 1995.
1997	Federal conformity updated to December 31, 1996 and permanently reconnected to future changes. Earned income credit adopted. Lottery jackpots subject to tax.
1998	Federal pensions excluded from taxable income. Credit for long-term care insurance adopted.
2000	Federal tax subtraction increased from 3,000 to 5,000 effective 1/1/2002. Indexed for inflation beginning 2003.
2001	Standard deductions changed to \$1,640 for single filers and \$3,280 for joint filers effective 1/1/2002. Indexed for inflation beginning 2003. Working Family Childcare credit made refundable effective 1/1/2003. Corporate apportionment formula changed from 50%-weighted sales factor to 80%-weighted sales factor, effective 5/1/2003.
2002	Phase-in the implementation of the higher federal tax subtraction. In 2002, the federal tax subtraction is \$3,250, in 2003 it is \$3,500, in 2004 it is \$4,000, in 2005 it is \$4,500, in 2006 it is \$5,000 and in 2007 it is \$5,500.

Calculation of Oregon Personal Income Tax



PERSONAL INCOME TAX STATISTICAL TABLES (Pages C7-C9)

- ALL TABLES:**
- Personal income tax statistics.
 - 2000 tax year.
 - Classified by income group, first column shows income class.
 - Totals are shown at bottom.

- TABLE A:**
- General summary of major tax items for all tax returns.
 - Income and tax items are in thousands of dollars.
 - See outline on previous page for general scheme of table.
- Example: Taxpayers in the \$40,000 to \$45,000 adjusted gross income class had total Oregon Adjusted Gross Income(AGI) of \$3,048,003,000, a total Oregon taxable balance of \$2,199,851,000 and total tax due after credits of \$154,513,000.

- TABLE B:**
- Same as Table A except numbers are averages.
- Example: Taxpayers in the \$40,000 to \$45,000 adjusted gross income class had average Oregon AGI of \$42,437, average taxable balance of \$30,628 and average tax due after credits of \$2,151.

- TABLE C:**
- Summary of sources of adjusted gross income for all full-year tax returns.
- Example: Taxpayers in the \$40,000 to \$45,000 adjusted gross income class had total wages and salaries of \$2,077,682,000 (75% of total AGI), taxable interest and dividends of \$113,253,000 (4% of total AGI) and taxable pensions of \$301,018,000 (11% of total AGI).

TABLE A: TOTAL INCOME AND TAX (THOUSANDS OF DOLLARS)**All 2000 returns**

AGI Category Distribution													
AGI Level (\$000)	Number of Returns	Number of Exemptions	Adjusted Gross Income	Oregon Adjustments			Deductions	Taxable Balance	Tax from Rates	Interest on Installment Sales	Oregon Tax	Credits	Tax After Credits
				Additions	Federal Tax Subtraction	Other Subtractions							
Less than zero	17,717	33,327	-905,146	10,591	376	39,782	112,654	2,066	174	0	174	14	161
0-5	183,118	179,389	458,903	9,218	7,105	12,961	314,412	215,345	11,762	2	11,764	4,403	7,361
5-10	164,551	212,998	1,225,392	3,659	27,580	25,241	561,653	788,430	47,917	1	47,918	19,522	28,396
10-15	150,801	248,877	1,882,154	4,025	66,585	60,543	522,923	1,282,963	86,917	2	86,919	32,111	54,809
15-20	140,754	256,965	2,455,958	3,701	118,480	90,914	554,761	1,733,529	125,084	4	125,088	37,783	87,305
20-25	120,851	231,289	2,710,337	3,123	163,148	101,826	522,904	1,953,115	147,629	4	147,633	34,707	112,926
25-30	104,583	207,402	2,869,962	3,870	193,703	120,279	515,935	2,070,456	161,208	0	161,208	30,168	131,041
30-35	92,602	192,062	3,003,710	3,866	201,297	133,163	516,423	2,176,599	172,731	3	172,734	27,457	145,277
35-40	81,264	180,427	3,043,603	3,411	193,009	144,949	523,771	2,199,872	176,654	0	176,654	25,702	150,952
40-45	71,825	167,708	3,048,003	3,304	181,784	156,053	526,010	2,199,851	178,412	1	178,413	23,900	154,513
45-50	63,377	155,169	3,007,123	3,528	168,324	151,616	512,124	2,188,016	179,038	0	179,038	22,280	156,757
50-60	106,629	275,595	5,841,888	7,885	297,255	310,067	1,082,517	4,269,663	352,736	3	352,739	40,027	312,713
60-70	82,178	221,090	5,321,946	7,400	237,540	284,037	873,710	3,942,443	329,488	0	329,488	32,582	296,906
70-80	61,026	168,277	4,560,335	5,732	178,498	224,114	729,952	3,439,586	290,335	1	290,336	25,159	265,177
80-90	43,421	121,006	3,678,759	5,721	127,738	166,138	575,582	2,818,967	239,856	0	239,857	18,418	221,439
90-100	30,429	85,684	2,881,305	4,173	89,746	122,812	435,138	2,240,028	191,801	1	191,801	13,368	178,434
100-250	94,547	266,115	13,238,058	31,030	278,399	465,636	1,745,620	10,790,097	940,659	9	940,668	48,036	892,632
250-500	12,752	36,491	4,277,022	15,817	37,314	96,345	391,449	3,770,229	335,208	0	335,209	10,591	324,618
500 +	5,988	17,000	8,424,008	33,559	17,221	129,570	562,516	7,755,376	696,032	14	696,046	21,214	674,832
Quintile Distribution													
First 20%	325,691	366,882	407,192	22,456	24,944	69,265	869,476	758,878	44,190	2	44,192	17,624	26,568
Second 20%	325,665	554,281	4,598,973	8,593	189,164	156,381	1,174,098	3,183,674	221,760	7	221,767	74,615	147,152
Middle 20%	325,702	645,647	8,768,066	11,108	568,931	362,574	1,590,886	6,332,384	491,653	7	491,660	94,561	397,099
Fourth 20%	325,668	786,817	15,148,044	18,432	848,930	774,424	2,678,331	11,011,151	899,801	4	899,805	113,091	786,714
Next 15%	244,266	672,831	19,582,400	28,866	714,132	917,764	3,068,755	14,933,022	1,266,927	3	1,266,931	101,988	1,164,943
Next 4%	65,137	183,851	10,455,992	26,576	191,675	346,683	1,311,487	8,641,159	756,716	8	756,724	35,486	721,238
Top 1%	16,284	46,562	12,062,651	47,584	47,326	208,952	887,020	10,976,363	982,594	15	982,609	30,074	952,535
Total													
Total	1,628,413	3,256,871	71,023,319	163,614	2,585,102	2,836,044	11,580,053	55,836,631	4,663,641	48	4,663,688	467,440	4,196,248

Oregon Department of Revenue
2000 Personal Income Tax Annual Statistics

TABLE B: AVERAGE INCOME AND TAX (DOLLARS)**All 2000 returns**

AGI Category Distribution															
AGI Level (\$000)	Number of Returns	Number of Exemptions	Adjusted Gross Income	Oregon Adjustments			Deductions	Taxable Balance	Tax from Rates	Interest on Installment Sales	Oregon Tax	Credits	Tax After Credits	Tax as Percent of AGI	Tax as Percent of Taxable
				Additions	Federal Tax Subtraction	Other Subtractions									
Less than zero	17,717	1.88	-51,089	598	21	2,245	6,359	117	10	0	10	1	9	0.0	7.7
0-5	183,118	0.98	2,506	50	39	71	1,717	1,176	64	0	64	24	40	1.6	3.4
5-10	164,551	1.29	7,447	22	168	153	3,413	4,791	291	0	291	119	173	2.3	3.6
10-15	150,801	1.65	12,481	27	442	401	3,468	8,508	576	0	576	213	363	2.9	4.3
15-20	140,754	1.83	17,449	26	842	646	3,941	12,316	889	0	889	268	620	3.6	5.0
20-25	120,851	1.91	22,427	26	1,350	843	4,327	16,161	1,222	0	1,222	287	934	4.2	5.8
25-30	104,583	1.98	27,442	37	1,852	1,150	4,933	19,797	1,541	0	1,541	288	1,253	4.6	6.3
30-35	92,602	2.07	32,437	42	2,174	1,438	5,577	23,505	1,865	0	1,865	297	1,569	4.8	6.7
35-40	81,264	2.22	37,453	42	2,375	1,784	6,445	27,071	2,174	0	2,174	316	1,858	5.0	6.9
40-45	71,825	2.33	42,437	46	2,531	2,173	7,323	30,628	2,484	0	2,484	333	2,151	5.1	7.0
45-50	63,377	2.45	47,448	56	2,656	2,392	8,081	34,524	2,825	0	2,825	352	2,473	5.2	7.2
50-60	106,629	2.58	54,787	74	2,788	2,908	10,152	40,042	3,308	0	3,308	375	2,933	5.4	7.3
60-70	82,178	2.69	64,761	90	2,891	3,456	10,632	47,974	4,009	0	4,009	396	3,613	5.6	7.5
70-80	61,026	2.76	74,728	94	2,925	3,672	11,961	56,363	4,758	0	4,758	412	4,345	5.8	7.7
80-90	43,421	2.79	84,723	132	2,942	3,826	13,256	64,922	5,524	0	5,524	424	5,100	6.0	7.9
90-100	30,429	2.82	94,689	137	2,949	4,036	14,300	73,615	6,303	0	6,303	439	5,864	6.2	8.0
100-250	94,547	2.81	140,016	328	2,945	4,925	18,463	114,124	9,949	0	9,949	508	9,441	6.7	8.3
250-500	12,752	2.86	335,400	1,240	2,926	7,555	30,697	295,658	26,287	0	26,287	831	25,456	7.6	8.6
500 +	5,988	2.84	1,406,815	5,604	2,876	21,638	93,941	1,295,153	116,238	2	116,240	3,543	112,697	8.0	8.7
Quintile Distribution															
First 20%	325,691	1.13	1,250	69	77	213	2,670	2,330	136	0	136	54	82	6.6	3.5
Second 20%	325,665	1.70	14,122	26	581	480	3,605	9,776	681	0	681	229	452	3.2	4.6
Middle 20%	325,702	1.98	26,921	34	1,747	1,113	4,884	19,442	1,510	0	1,510	290	1,219	4.5	6.3
Fourth 20%	325,668	2.42	46,514	57	2,607	2,378	8,224	33,811	2,763	0	2,763	347	2,416	5.2	7.1
Next 15%	244,266	2.75	80,168	118	2,924	3,757	12,563	61,134	5,187	0	5,187	418	4,769	5.9	7.8
Next 4%	65,137	2.82	160,523	408	2,943	5,322	20,134	132,661	11,617	0	11,617	545	11,073	6.9	8.3
Top 1%	16,284	2.86	740,767	2,922	2,906	12,832	54,472	674,058	60,341	1	60,342	1,847	58,495	7.9	8.7
Total	1,628,413	2.00	43,615	100	1,587	1,742	7,111	34,289	2,864	0	2,864	287	2,577	5.9	7.5

Oregon Department of Revenue
2000 Personal Income Tax Annual Statistics

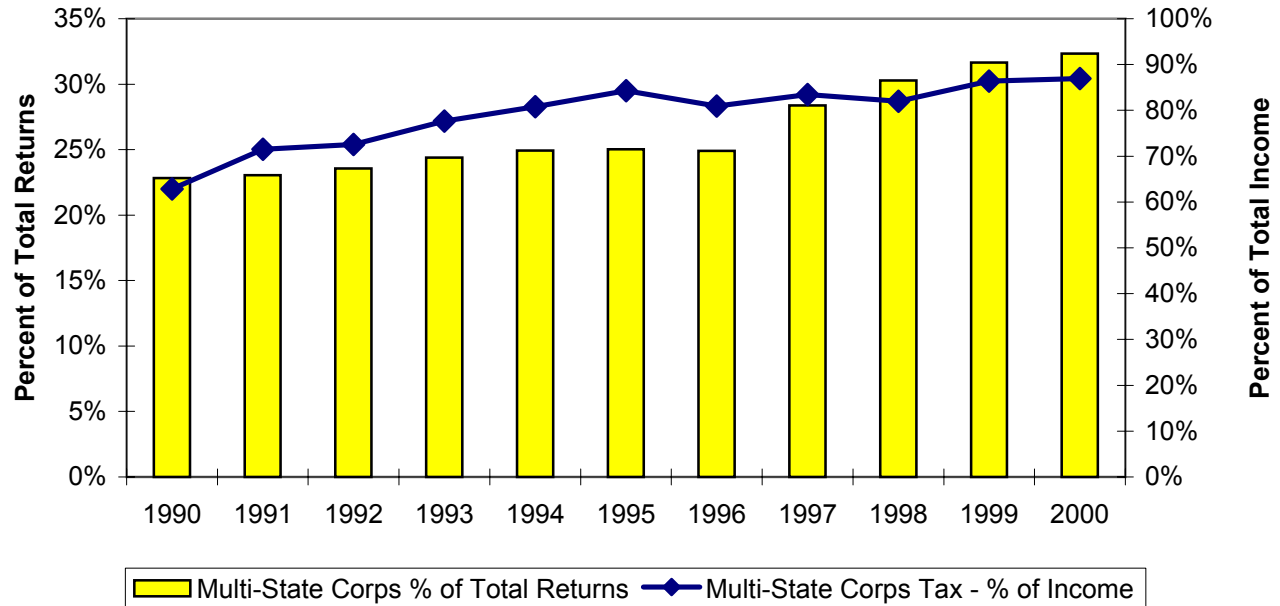
TABLE D: SOURCES OF ADJUSTED GROSS INCOME (THOUSANDS OF DOLLARS) 2000 Full-year returns

AGI Category Distribution											
AGI Level (\$000)	Number of Returns	Adjusted Gross Income	Wages, Salaries, Tips	Taxable Dividends and Interest	Business Income	Capital Gains and Supplemental Income	Taxable Pensions	Miscellaneous Income	Farm Income	All Other Income ¹	Adjustments
Less than zero	12,411	-598,368	99,913	52,938	-68,289	80,562	22,431	-293,010	-72,690	-413,865	6,358
0-5	129,549	350,254	281,085	36,965	15,362	15,422	16,194	-8,092	-6,840	7,072	6,914
5-10	136,508	1,020,252	709,625	88,959	60,277	28,151	97,492	1,500	-7,764	56,266	14,253
10-15	132,027	1,649,930	1,103,091	134,581	83,439	35,739	215,567	8,801	-7,372	95,746	19,663
15-20	126,356	2,205,549	1,541,927	148,497	92,445	44,075	280,363	11,737	-10,348	120,758	23,905
20-25	109,338	2,452,020	1,797,959	126,663	91,081	42,667	273,064	15,746	-8,593	140,361	26,927
25-30	94,859	2,603,170	1,945,451	120,410	90,187	44,133	272,517	15,507	-8,998	152,643	28,678
30-35	84,008	2,724,737	2,045,287	112,632	91,928	47,806	280,094	20,053	-9,742	166,482	29,803
35-40	73,875	2,766,998	2,078,177	107,893	92,777	52,746	293,201	20,275	-8,220	161,011	30,862
40-45	65,646	2,786,016	2,077,682	113,253	92,918	55,339	301,018	24,568	-8,018	159,027	29,771
45-50	58,277	2,765,220	2,053,822	111,061	89,973	60,697	299,341	29,342	-6,939	155,855	27,931
50-60	99,138	5,432,828	3,981,959	213,572	173,786	130,526	615,188	62,010	-10,087	318,293	52,419
60-70	77,347	5,009,603	3,632,900	203,666	147,063	145,535	598,948	76,058	-11,161	261,512	44,918
70-80	57,579	4,303,005	3,115,766	178,929	127,115	145,339	504,222	81,145	-7,536	194,970	36,945
80-90	41,351	3,503,499	2,514,428	150,492	111,257	142,436	397,920	77,862	-6,511	146,825	31,210
90-100	29,010	2,747,274	1,940,045	123,046	98,309	127,400	306,206	83,154	-4,144	100,510	27,252
100-250	90,215	12,630,989	7,698,156	766,760	706,592	1,156,055	1,238,604	882,088	-16,247	388,255	189,273
250-500	12,121	4,061,961	2,015,463	307,530	228,897	704,016	190,514	586,258	-8,426	99,643	61,933
500 +	5,588	7,844,791	2,661,305	634,876	150,136	2,928,423	100,620	1,199,583	-2,426	206,078	33,803
Quintile Distribution											
First 20%	287,033	859,142	1,148,869	186,339	12,237	126,327	146,375	-299,203	-87,790	-345,372	28,639
Second 20%	287,050	4,542,690	3,147,167	319,344	200,290	91,767	577,235	24,274	-20,112	253,696	50,971
Middle 20%	287,034	8,310,411	6,210,788	366,994	287,287	145,985	870,800	55,018	-28,739	493,797	91,520
Fourth 20%	287,046	14,056,568	10,379,509	559,182	454,748	319,140	1,562,711	147,841	-32,200	806,572	140,934
Next 15%	215,280	17,897,092	12,692,369	793,160	592,494	761,181	2,055,024	454,322	-31,067	749,389	169,781
Next 4%	57,408	9,575,845	5,498,135	630,175	598,123	1,054,722	853,167	839,628	-12,405	274,982	160,682
Top 1%	14,352	11,017,980	4,217,204	877,528	330,075	3,487,943	238,189	1,672,707	-9,750	284,375	80,291
Total	1,435,203	66,259,729	43,294,042	3,732,722	2,475,253	5,987,066	6,303,503	2,894,587	-222,063	2,517,440	722,819

¹All other income includes: taxable state income tax refunds, alimony received, unemployment compensation, and other income.

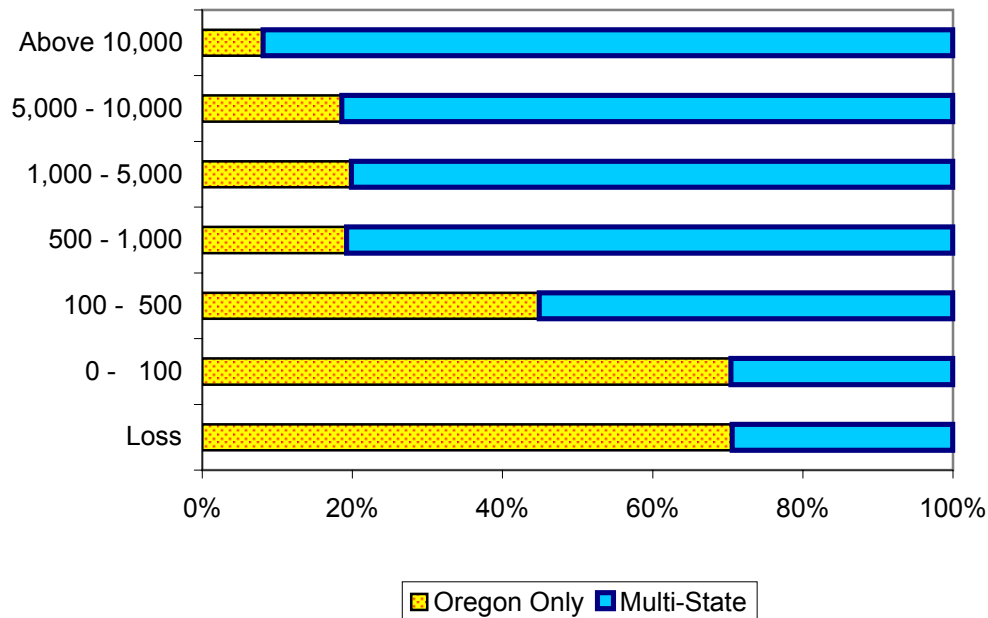
Oregon Department of Revenue
2000 Personal Income Tax Annual Statistics

**Multi-State C-Corporations
Percent of Total Returns and Taxable Income
1990-2000**



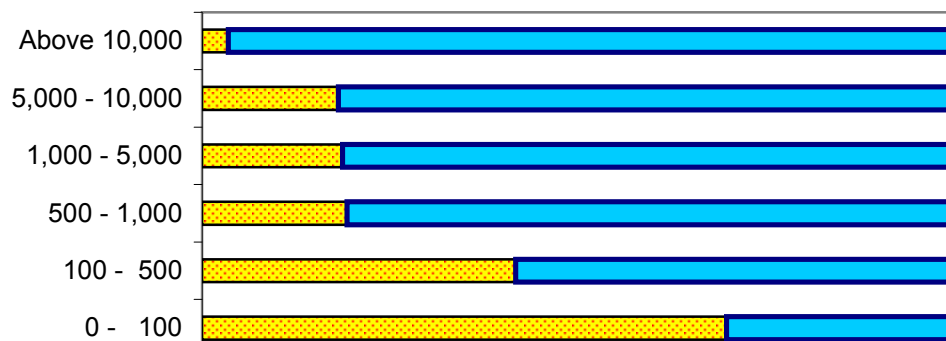
	Number of C-Corporation Returns			Taxable Income (000)		
	OREGON ONLY	MULTI-STATE	TOTAL	OREGON ONLY	MULTI-STATE	TOTAL
1990	27,405	8,105	35,510	766,187	1,296,475	2,062,662
1991	27,086	8,114	35,200	829,345	2,083,770	2,913,115
1992	27,262	8,398	35,660	950,930	2,513,922	3,464,852
1993	27,885	8,994	36,879	1,076,784	3,737,870	4,814,653
1994	28,785	9,559	38,344	1,109,122	4,656,363	5,765,485
1995	29,615	9,882	39,497	1,257,844	6,745,856	8,003,700
1996	29,173	9,678	38,851	1,184,077	5,027,948	6,212,025
1997	27,654	10,953	38,607	1,078,213	5,441,179	6,519,392
1998	27,203	11,821	39,024	1,128,284	5,127,083	6,255,368
1999	25,858	11,972	37,830	971,653	6,149,386	7,121,039
2000	24,610	11,756	36,366	967,623	6,448,846	7,416,469

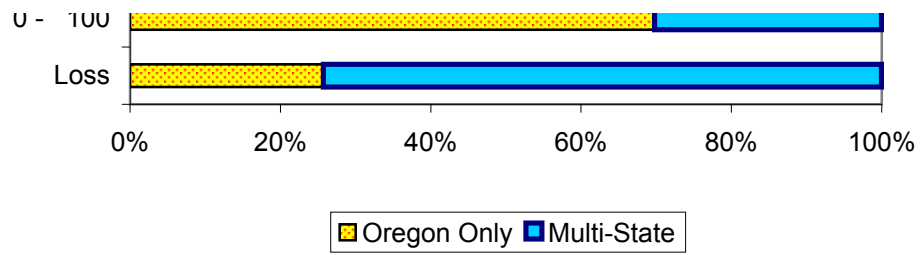
Oregon Only and Multi-State C-Corporations in 2000 Percent of Total Returns



Oregon Income Group (000)	Number of 2000 C-Corporation Returns			Total Taxable Income (thou)	
	OREGON ONLY	MULTI-STATE	TOTAL	OREGON ONLY	MULTI-STATE
Loss	15,609	6,507	22,116	105,220	303,867
0 - 100	7,983	3,354	11,337	165,932	71,944
100 - 500	815	1,000	1,815	166,063	231,924
500 - 1,000	76	319	395	53,943	225,716
1,000 - 5,000	103	415	518	214,772	934,961
5,000 - 10,000	16	70	86	110,987	500,828
Above 10,000	8	91	99	150,706	4,179,605
TOTAL	24,610	11,756	36,366	967,623	6,448,846

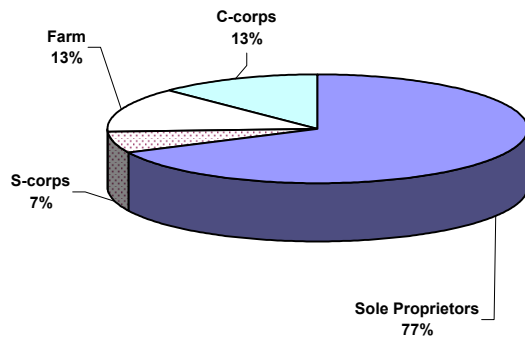
Oregon Only and Multi-State C-Corporations in 2000 Percent of Total Income



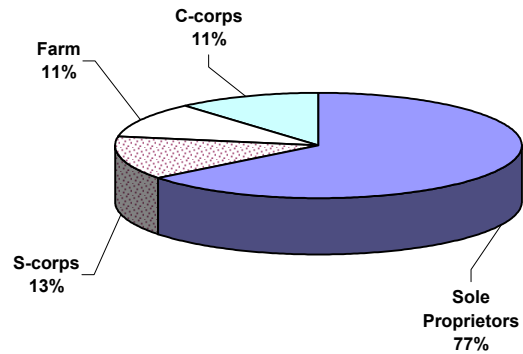


sands)
TOTAL
409,087
237,877
397,987
279,659
1,149,733
611,816
4,330,310
7,416,469

**Business Income Tax Returns -
Tax Year 1990**

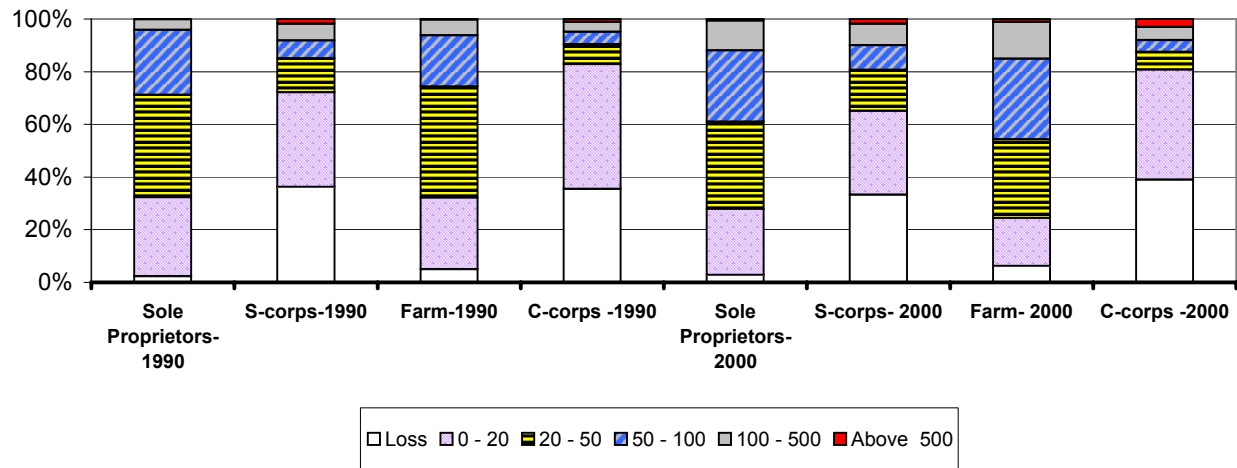


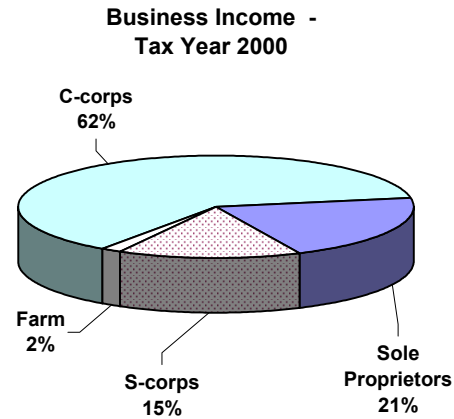
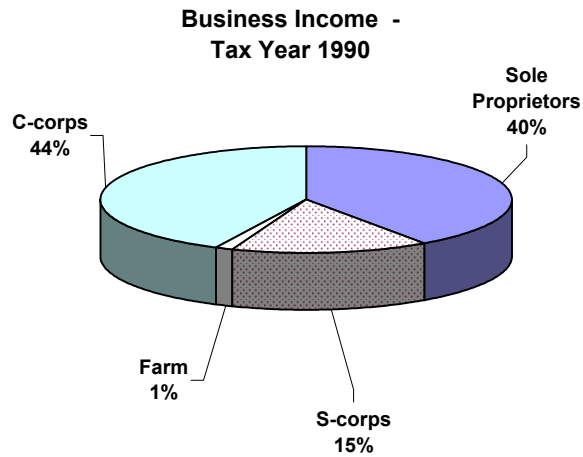
**Business Income Tax Returns -
Tax Year 2000**



AGI Level (\$000)	Number of Returns									
	1990					2000				
	Personal Income			Corporate		Personal Income			Corporate	
	Sole Proprietors	S-corps	Farm	C-corps	TOTAL	Sole Proprietors	S-corps	Farm	C-corps	TOTAL
Loss	4,361	6,680	1,840	12,582	25,463	5,825	14,224	2,197	14,194	36,440
0 - 20	57,098	6,636	10,036	16,834	90,604	52,493	13,646	6,432	15,177	87,748
20 - 50	73,891	2,371	15,587	2,693	94,542	68,951	6,613	10,532	2,449	88,545
50 - 100	46,841	1,258	7,208	1,668	56,975	56,405	4,007	10,791	1,633	72,836
100 - 500	7,620	1,145	2,167	1,342	12,274	23,486	3,485	4,908	1,815	33,694
Above 500	261	347	110	391	1,109	1,321	779	388	1,098	3,586
TOTAL	190,072	18,437	36,948	35,510	280,967	208,481	42,754	35,248	36,366	322,849

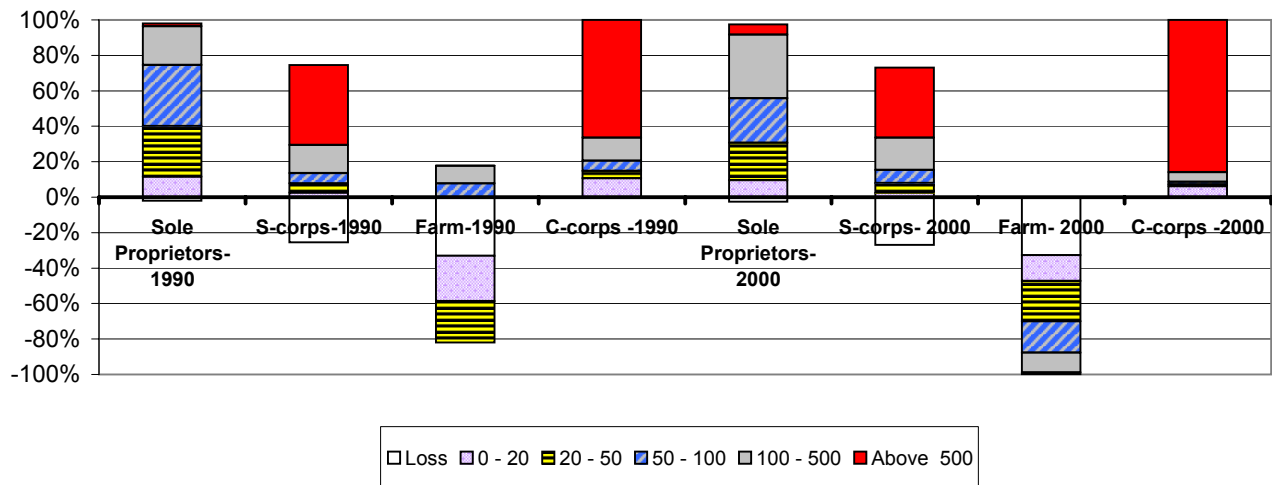
**Number of Returns By Income Group (thousands)
and Business Type -
1990 and 2000**





AGI Level (\$000)	Total Income Reported (\$000)									
	1990					2000				
	Personal Income			Corporate		Personal Income			Corporate	
	Sole Proprietors	S-corps	Farm	C-corps	TOTAL	Sole Proprietors	S-corps	Farm	C-corps	TOTAL
Loss	-41,083	-383,432	-34,348	0	-458,863	-68,289	-1,028,475	-72,690	0	-1,169,454
0 - 20	234,680	39,294	-26,814	218,740	465,901	251,523	86,983	-32,324	449,920	756,101
20 - 50	575,725	76,122	-24,406	88,152	715,594	548,864	216,978	-50,510	81,948	797,280
50 - 100	698,869	87,856	7,988	116,555	911,268	657,530	281,915	-39,439	115,096	1,015,102
100 - 500	442,505	238,335	10,474	269,011	960,325	935,489	700,910	-24,673	397,987	2,009,713
Above 500	31,322	678,789	70	1,370,204	2,080,384	150,136	1,515,066	-2,426	6,371,518	8,034,295
TOTAL	1,942,018	736,964	-67,036	2,062,662	4,674,608	2,475,253	1,773,377	-222,062	7,416,469	11,443,037

Total Income (thousands) By Income Group and Business Type - 1990 and 2000



PROPERTY TAX

The property tax in Oregon is a local tax. It funds most of the local services and many functions of county and city governments. Large portions of school-districts and community college budgets also deepened on property tax receipts. Taxable property includes real property, mobile homes and some tangible personal property used by business. Prior to the passage of property tax limitation Measure 50, property was generally taxed based on its real market value. Since 1997-98 each property has a real market as well as an assessed value. Property assessment and taxation is conducted at the county level, except for large industrial properties and "centrally" assessed utilities, where Oregon Department of Revenue plays a major role.

Property tax rates differ across the state. The rate on any particular property depends on the tax rates approved by local voters and the limits established in the Oregon Constitution. Most properties are taxed by multiple districts, such as a city, county, school, community college, port and fire. The total tax rate on a particular property is figured by adding all the local taxing districts' rates in the area. The tax on each property is computed by multiplying the total tax rate by the assessed value of the property. Annually, the county assessor verifies the tax rates and levies submitted by each local taxing district. Collection of taxes and distribution of the funds to local districts is done by the county tax collector.

In 2001-02, the total real market value of taxable property in Oregon was \$274 billion. This is an increase of 6.2 % from the previous year. The 2001-02 statewide total assessed value was \$210.4 billion. This represents a 5.8% growth from 2000-01 total assessed value. In 2001-02, property taxes imposed by all districts totaled \$3.25 billion, which was an increase of almost 8% from 2000-01. Community Colleges had the largest percentage tax increase in 2001-02 of 21.1%. This was due to the voter approval of Community college bonds.

Exemptions

Not all property is taxable. Major exemptions include intangible property (stocks, bonds), tangible personal property of individuals (household furnishings, sporting equipment), licensed property (cars, trucks), business inventories, government property (unless leased), and property used for religious or charitable purposes. Electric cooperatives, rural telephone exchanges and some other property are exempt from property taxation because other taxes are paid *in lieu* of property tax.

Some property is taxed at lower values. This "specially assessed" property includes some forest land, farm land, and open space land. These properties are valued at their value in the restricted use and are subject to penalties if not continued in the use for which it is specially assessed.

Limitations

Measure 5

Measure 5 is a tax limitation constitutional amendment approved by Oregon voters in 1990. it restricted school taxes on any parcel of property to \$5, and general government limit to \$10 per \$1000 of real market value. Tax compression occurs if the tax extended on a property exceeds either of Measure 5 limits. Measure 5 limits do not apply to general obligation bonds.

Measure 50

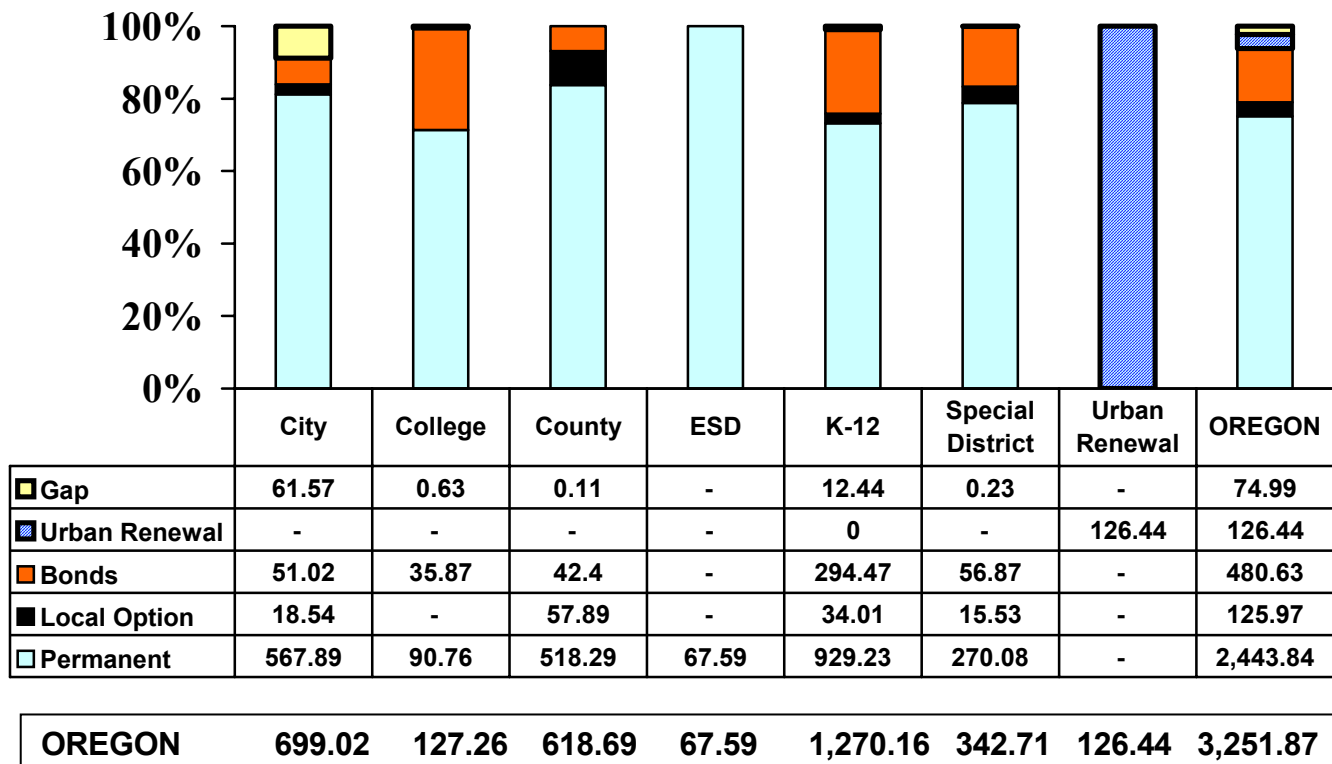
In May 1997 voters passed a second constitutional amendment to limit property tax. Measure 50 did not replace Measure 5, but rather established a second limit. Measure 50 gave each district a fixed permanent tax rate which can't be increased. However, voters can approve local option

levies for up to five years for operations, and up to the lesser of ten years or the useful life of capital projects. Taxes for local option levies as well as two other types of levies, GAP and urban renewal, are subject to Measure 5 tax limits. Local option levies, as well as general obligation bonds, must be approved at a general election or any election at which at least 50% of eligible voters cast a ballot.

Measure 50 also defined the concept of assessed Value. The 1997-98 maximum assessed value for each property is 90% of its 1995-96 real market value. If no new construction occurs on the property, in future years, the assessed value grows annually at 3% per year. However, assessed value can not exceed real market value. Total assessed value in 2001-02, for all classes of property statewide, is about 76.8% of total real market value. New property is first assessed at the average county ratio of assessed to real market value of existing property of the same class. This average ratio is known as the change property ratio (CPR).

The table below breaks down the 2001-02 property taxes by type of taxing district as well as tax source. The largest portion of any districts' property tax revenue comes from its permanent tax rates. Taxes generated from permanent rates totaled \$2.44 billion or 75.2% of all taxes imposed. This is a growth of 6.1% from 2000-01. General obligation bonds totaled \$480.6 million (14.8% of taxes imposed). 61.3% of all general obligation bonds, \$294.5 million, were levied by K-12 school districts. Growth of the Local option levies (29.4%) was the fastest of any property tax type for the seconded consecutive year. County districts levied \$58 million or 46% of all local option taxes. School districts levied \$34 million or 27% of all local option levies. This tax source will likely continue to grow in the future as taxing districts are beginning to receive voter approval for these levies. 4% of all taxes imposed, \$126.4 million, were levied for urban renewal agencies.

2001-02 Property Taxes Imposed by District and Tax Source
(in Millions)

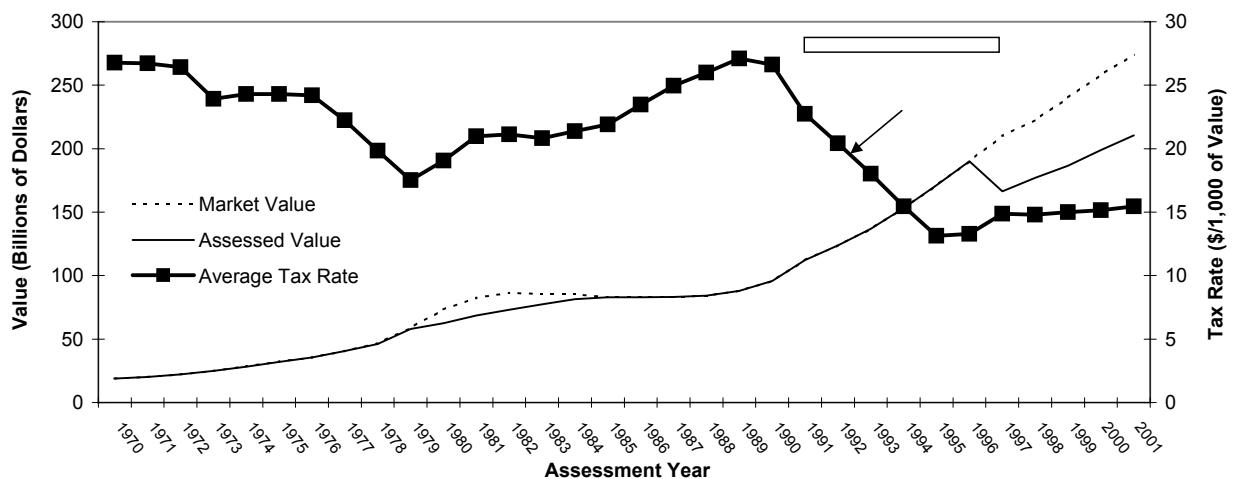


VALUE OF TAXABLE PROPERTY, ASSESSMENT RATIO AND AVERAGE TAX RATE

ASSESSMENT DATE	MARKET VALUE		ASSESSED VALUE		ASSESSMENT RATIO		AVERAGE TAX RATE	
	MILLIONS	CHANGE	MILLIONS	CHANGE	HOME	OTHER	\$/1,000	CHANGE
1-1-70	18,797	9.0%	18,795	9.0%	100.0%		26.78	2.0%
1-1-71	20,261	7.8%	20,258	7.8%	100.0%		26.72	-0.2%
1-1-72	22,113	9.1%	22,108	9.1%	100.0%		26.41	-1.1%
1-1-73	24,899	12.6%	24,870	12.5%	100.0%		23.93	-9.4%
1-1-74	28,402	14.1%	28,274	13.7%	100.0%		24.29	1.5%
1-1-75	32,175	13.3%	32,015	13.2%	100.0%		24.31	0.1%
1-1-76	35,547	10.5%	35,536	11.0%	100.0%		24.20	-0.5%
1-1-77	40,704	14.5%	40,508	14.0%	100.0%		22.24	-8.1%
1-1-78	46,646	14.6%	46,155	13.9%	100.0%		19.85	-10.8%
1-1-79	59,025	26.5%	57,898	25.4%	100.0%		17.52	-11.7%
1-1-80	73,402	24.4%	62,544	8.0%	84.2%	87.6%	19.05	8.7%
1-1-81	82,427	12.3%	68,458	9.5%	81.6%	84.4%	20.97	10.1%
1-1-82	86,429	4.9%	73,029	6.7%	83.8%	85.1%	21.14	0.8%
1-1-83	85,365	-1.2%	77,399	6.0%	90.3%	90.9%	20.83	-1.4%
1-1-84	85,400	0.0%	81,428	5.2%		96.0%	21.37	2.6%
1-1-85	83,035	-2.8%	83,026	2.0%	100.0%		21.91	2.5%
1-1-86	82,944	-0.1%	82,944	-0.1%	100.0%		23.47	7.1%
1-1-87	83,111	0.2%	83,129	0.2%	100.0%		24.97	6.4%
1-1-88	84,258	1.4%	84,305	1.4%	100.0%		25.99	4.1%
1-1-89	88,076	4.5%	88,085	4.5%	100.0%		27.09	4.2%
1-1-90	95,850	8.8%	95,851	8.8%	100.0%		26.61	-1.8%
7-1-91	112,134	17.0%	112,154	17.0%	100.0%		22.74	-14.5%
7-1-92	123,755	10.4%	123,780	10.4%	100.0%		20.43	-10.2%
7-1-93	136,787	10.5%	136,815	10.5%	100.0%		18.03	-11.7%
7-1-94	153,370	12.1%	153,400	12.1%	100.0%		15.45	-14.3%
7-1-95	171,190	11.6%	171,226	11.6%	100.0%		13.13	-15.0%
7-1-96	190,161	11.1%	190,209	11.1%	100.0%		13.29	1.2%
7-1-97	209,981	10.4%	166,507	-12.5%	79.3%		14.87	11.9%
1-1-98	222,313	5.9%	176,906	6.2%	79.6%		14.80	-0.5%
1-1-99	240,312	8.1%	186,676	5.5%	77.7%		15.01	1.4%
1-1-00	258,133	7.4%	198,911	6.6%	77.1%		15.15	1.0%
1-1-01	274,042	6.2%	210,435	5.8%	76.8%		15.45	2.0%
Ave. Growth Rate (1970-2001)		9.2%		8.3%				-1.4%

NOTE: Market value is the taxable property value certified by the Department of Revenue (ORS 309.360).
 Assessed value is the total value on the roll at the time the levy is extended. Value may be reduced by appeals.
 Beginning in 1998, excess urban renewal value, both used and unused value, is included in the assessed value.
 1991 value growth is for 18 months with change in assessment date to July
 1998 value growth is for 6 months with change in assessment date back to January.

PROPERTY VALUE AND TAX RATE



**TOTAL ASSESSED (AV) AND REAL MARKET (RMV) VALUES
AND PROPERTY CHANGE RATIOS (PCR)**

COUNTY	TOTAL RMV (\$,000)			TOTAL AV (\$,000)			RATIO - AV/RMV (PCR)		
	2000-01	2001-02	CHANGE	2000-01	2001-02	CHANGE	2000-01	2000-01	CHANGE
BAKER	1,002,676	1,041,297	3.9%	832,463	879,019	5.6%	83.02%	84.42%	1.7%
BENTON	5,656,640	5,678,628	0.4%	4,557,081	4,676,012	2.6%	80.56%	82.34%	2.2%
CLACKAMAS	29,713,422	30,976,502	4.3%	22,751,484	23,994,371	5.5%	76.57%	77.46%	1.2%
CLATSOP	4,386,250	4,233,549	-3.5%	3,215,246	3,343,322	4.0%	73.30%	78.97%	7.7%
COLUMBIA	3,505,147	3,428,973	-2.2%	2,802,644	2,745,577	-2.0%	79.96%	80.07%	0.1%
COOS	3,427,159	3,505,472	2.3%	2,976,891	3,068,169	3.1%	86.86%	87.53%	0.8%
CROOK	1,037,528	1,107,932	6.8%	849,467	919,322	8.2%	81.87%	82.98%	1.4%
CURRY	1,775,928	1,848,906	4.1%	1,600,348	1,663,436	3.9%	90.11%	89.97%	-0.2%
DESCHUTES	11,176,054	12,704,705	13.7%	8,823,684	9,603,116	8.8%	78.95%	75.59%	-4.3%
DOUGLAS	5,830,797	6,033,333	3.5%	4,900,733	5,045,825	3.0%	84.05%	83.63%	-0.5%
GILLIAM	268,053	269,729	0.6%	211,542	217,204	2.7%	78.92%	80.53%	2.0%
GRANT	419,636	427,095	1.8%	317,208	325,565	2.6%	75.59%	76.23%	0.8%
HARNEY	423,298	449,174	6.1%	310,623	330,217	6.3%	73.38%	73.52%	0.2%
HOOD RIVER	1,435,578	1,545,467	7.7%	1,084,571	1,141,125	5.2%	75.55%	73.84%	-2.3%
JACKSON	12,307,631	13,401,302	8.9%	9,937,608	10,561,017	6.3%	80.74%	78.81%	-2.4%
JEFFERSON	1,220,150	1,302,582	6.8%	955,038	1,009,251	5.7%	78.27%	77.48%	-1.0%
JOSEPHINE	4,126,924	4,434,914	7.5%	3,635,385	3,827,583	5.3%	88.09%	86.31%	-2.0%
KLAMATH	3,581,458	3,709,104	3.6%	2,975,894	3,100,430	4.2%	83.09%	83.59%	0.6%
LAKE	439,508	480,005	9.2%	352,330	371,992	5.6%	80.16%	77.50%	-3.3%
LANE	22,628,275	22,850,101	1.0%	16,744,938	18,038,805	7.7%	74.00%	78.94%	6.7%
LINCOLN	5,161,243	5,266,033	2.0%	4,346,212	4,518,071	4.0%	84.21%	85.80%	1.9%
LINN	6,464,990	6,515,822	0.8%	5,087,299	5,336,564	4.9%	78.69%	81.90%	4.1%
MALHEUR	1,420,732	1,473,008	3.7%	1,129,310	1,206,565	6.8%	79.49%	81.91%	3.1%
MARION	15,883,292	16,665,678	4.9%	12,638,295	13,251,256	4.9%	79.57%	79.51%	-0.1%
MORROW	1,149,850	1,165,315	1.3%	1,024,239	991,028	-3.2%	89.08%	85.04%	-4.5%
MULTNOMAH	56,261,765	61,217,387	8.8%	41,111,319	43,522,079	5.9%	73.07%	71.09%	-2.7%
POLK	3,387,303	3,512,179	3.7%	2,676,555	2,813,164	5.1%	79.02%	80.10%	1.4%
SHERMAN	170,708	190,522	11.6%	150,845	171,152	13.5%	88.36%	89.83%	1.7%
TILLAMOOK	3,009,358	3,135,497	4.2%	2,364,610	2,504,056	5.9%	78.58%	79.86%	1.6%
UMATILLA	3,760,073	3,903,487	3.8%	2,690,842	3,060,384	13.7%	71.56%	78.40%	9.6%
UNION	1,241,774	1,274,705	2.7%	998,618	1,034,190	3.6%	80.42%	81.13%	0.9%
WALLOWA	608,025	604,301	-0.6%	446,177	456,252	2.3%	73.38%	75.50%	2.9%
WASCO	1,554,596	1,602,308	3.1%	1,216,414	1,270,942	4.5%	78.25%	79.32%	1.4%
WASHINGTON	38,375,452	42,641,803	11.1%	29,099,628	31,169,669	7.1%	75.83%	73.10%	-3.6%
WHEELER	105,880	109,136	3.1%	68,716	70,965	3.3%	64.90%	65.02%	0.2%
YAMHILL	5,215,474	5,335,969	2.3%	4,026,686	4,197,398	4.2%	77.21%	78.66%	1.9%
OREGON	258,132,626	274,041,919	6.2%	198,910,946	210,435,094	5.8%	77.06%	76.79%	-0.4%

NET ASSESSED VALUE AND AVERAGE TAX RATE

COUNTY	--- NET ASSESSED VALUE (\$1000) ---			-- AVERAGE TAX RATE --		
	2000-01	2001-02	CHANGE	2000-01	2001-02	CHANGE
BAKER	832,619	879,180	5.6%	13.58	13.52	-0.5%
BENTON	4,541,123	4,660,586	2.6%	13.86	14.30	3.2%
CLACKAMAS	21,547,323	22,666,022	5.2%	14.68	15.08	2.7%
CLATSOP	3,183,784	3,308,497	3.9%	12.58	12.55	-0.3%
COLUMBIA	2,791,927	2,731,134	-2.2%	12.44	12.85	3.3%
COOS	2,888,973	2,975,586	3.0%	12.81	12.88	0.6%
CROOK	849,467	919,322	8.2%	14.07	14.37	2.1%
CURRY	1,601,038	1,664,146	3.9%	8.38	8.89	6.1%
DESCHUTES	8,708,745	9,476,924	8.8%	13.45	13.59	1.1%
DOUGLAS	4,786,523	4,917,323	2.7%	10.87	11.30	4.0%
GILLIAM	212,996	218,702	2.7%	12.25	12.24	-0.1%
GRANT	317,552	325,912	2.6%	14.10	15.68	11.2%
HARNEY	310,623	330,217	6.3%	14.01	13.97	-0.3%
HOOD RIVER	1,055,753	1,110,396	5.2%	11.62	12.44	7.1%
JACKSON	9,497,826	10,086,117	6.2%	12.94	13.48	4.2%
JEFFERSON	955,038	1,009,251	5.7%	14.46	15.39	6.4%
JOSEPHINE	3,553,333	3,742,854	5.3%	9.38	9.22	-1.7%
KLAMATH	2,963,222	3,085,128	4.1%	11.28	11.28	0.0%
LAKE	353,151	372,837	5.6%	13.75	14.30	4.0%
LANE	16,552,068	17,837,562	7.8%	14.77	14.52	-1.7%
LINCOLN	4,015,308	4,169,922	3.9%	13.45	13.36	-0.7%
LINN	5,031,252	5,279,396	4.9%	14.66	14.47	-1.3%
MALHEUR	1,130,446	1,207,792	6.8%	11.67	11.74	0.6%
MARION	12,120,912	12,697,728	4.8%	16.06	16.07	0.1%
MORROW	1,024,242	991,032	-3.2%	14.78	16.63	12.5%
MULTNOMAH	39,595,578	41,741,383	5.4%	18.96	19.07	0.6%
POLK	2,676,555	2,813,164	5.1%	14.80	15.19	2.7%
SHERMAN	150,872	171,179	13.5%	16.60	16.41	-1.2%
TILLAMOOK	2,364,610	2,504,056	5.9%	10.10	9.99	-1.0%
UMATILLA	2,672,578	3,041,817	13.8%	16.16	15.77	-2.4%
UNION	995,809	1,027,776	3.2%	13.70	13.65	-0.4%
WALLOWA	446,672	456,761	2.3%	11.91	12.42	4.3%
WASCO	1,179,890	1,232,169	4.4%	16.59	16.71	0.8%
WASHINGTON	28,258,396	30,911,244	9.4%	14.50	15.64	7.8%
WHEELER	69,314	71,582	3.3%	16.27	16.60	2.0%
YAMHILL	4,026,686	4,197,398	4.2%	14.12	14.34	1.5%
TOTAL	193,262,206	204,832,096	6.0%	14.96	15.26	2.0%
URBAN RENEWAL	5,700,601	5,663,676	-0.7%	21.80	22.32	2.4%
OREGON	198,962,807	210,495,772	5.8%	15.00	15.30	2.0%

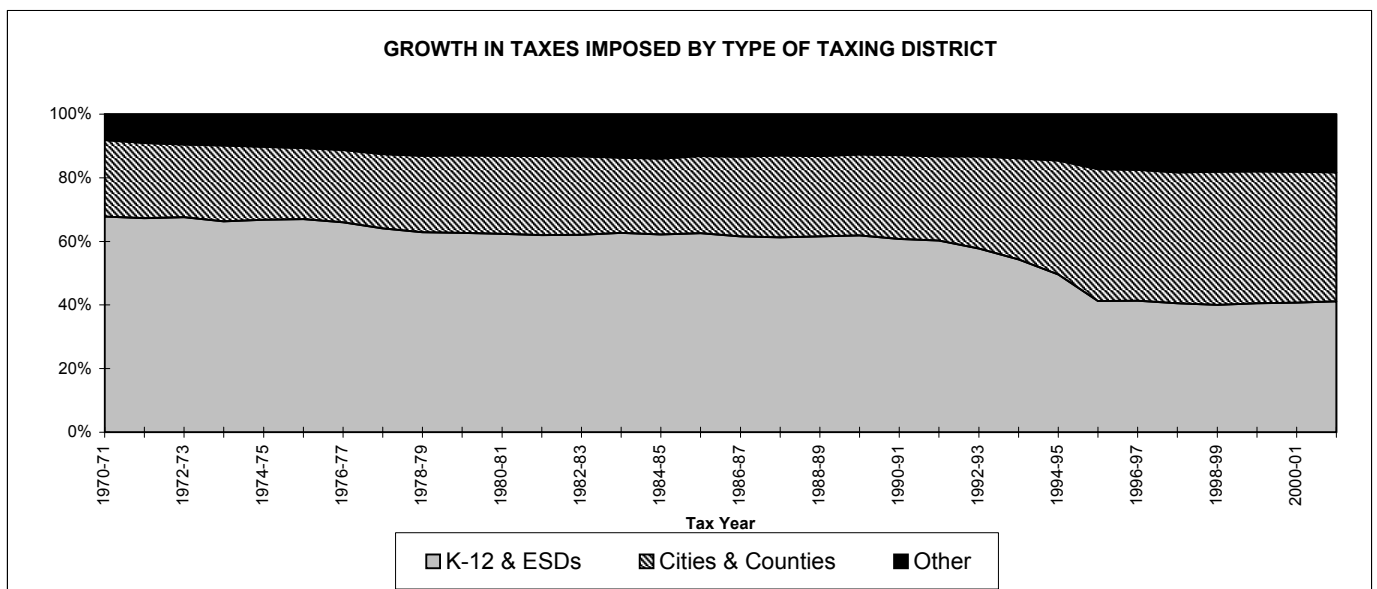
Net Assessed Value is equal to Total Roll Value + Nonprofit Housing + Fish&Wildlife Value - UR Excess Value

UR Assessed Value includes the used Excess Value only.

GROWTH OF IMPOSED PROPERTY TAX LEVIES

YEAR	TOTAL LEVIES		COUNTIES		CITIES		SCHOOLS AND E.S.D.S		COMMUNITY COLLEGES		OTHER DISTRICTS	
	LEVIES	%	LEVIES	%	LEVIES	%	LEVIES	%	LEVIES	%	LEVIES	%
1970-71	503.2	11.1%	51.3	3.4%	69.4	10.5%	341.4	11.1%	18.9	32.2%	22.2	18.1%
1971-72	541.3	7.6%	56.5	10.1%	71.1	2.4%	364.5	6.8%	21.0	11.1%	28.2	27.0%
1972-73	583.9	7.9%	58.4	3.4%	75.2	5.8%	394.6	8.3%	22.8	8.6%	32.9	16.7%
1973-74	595.3	2.0%	61.1	4.6%	81.0	7.7%	394.4	-0.1%	24.2	6.1%	34.6	5.2%
1974-75	687.1	15.4%	65.8	7.7%	91.8	13.3%	458.9	16.4%	28.2	16.5%	42.4	22.5%
1975-76	778.5	13.3%	71.2	8.2%	103.1	12.3%	521.3	13.6%	33.3	18.1%	49.6	17.0%
1976-77	860.0	10.5%	79.4	11.5%	115.6	12.1%	567.8	8.9%	36.1	8.4%	61.1	23.2%
1977-78	901.0	4.8%	85.7	7.9%	124.4	7.6%	577.2	1.7%	39.9	10.5%	73.8	20.8%
1978-79	916.0	1.7%	88.1	2.8%	132.0	6.1%	575.8	-0.2%	40.9	2.5%	79.2	7.3%
1979-80	1,014.4	10.7%	94.3	7.0%	152.7	15.7%	636.2	10.5%	47.8	16.9%	83.4	5.3%
1980-81	1,191.3	17.4%	107.6	14.1%	183.9	20.4%	743.5	16.9%	56.2	17.6%	100.1	20.0%
1981-82	1,435.6	20.5%	150.1	39.5%	206.7	12.4%	889.5	19.6%	64.8	15.3%	124.5	24.4%
1982-83	1,543.6	7.5%	159.2	6.1%	220.4	6.6%	958.8	7.8%	70.6	9.0%	134.6	8.1%
1983-84	1,612.3	4.5%	149.0	-6.4%	233.4	5.9%	1,010.1	5.4%	73.9	4.7%	145.9	8.4%
1984-85	1,740.0	7.9%	163.7	9.9%	251.6	7.8%	1,081.8	7.1%	79.5	7.6%	163.4	12.0%
1985-86	1,819.2	4.6%	173.3	5.9%	267.6	6.4%	1,139.2	5.3%	82.0	3.1%	157.1	-3.9%
1986-87	1,946.5	7.0%	198.6	14.6%	289.0	8.0%	1,199.0	5.2%	92.9	13.3%	167.0	6.3%
1987-88	2,072.9	6.5%	223.9	12.7%	309.9	7.2%	1,269.2	5.9%	97.0	4.4%	172.9	3.5%
1988-89	2,223.7	7.3%	243.1	8.6%	318.5	2.8%	1,368.8	7.8%	106.0	9.3%	187.3	8.3%
1989-90	2,386.0	7.3%	248.3	2.1%	359.9	13.0%	1,475.2	7.8%	109.2	3.0%	193.4	3.3%
1990-91	2,550.6	6.9%	282.1	13.6%	390.4	8.5%	1,550.4	5.1%	115.0	5.3%	212.7	10.0%
1991-92	2,549.9	0.0%	292.1	3.5%	382.7	-2.0%	1,537.7	-0.8%	112.5	-2.2%	224.9	5.7%
1992-93	2,529.0	-0.8%	314.7	7.7%	416.8	8.9%	1,461.3	-5.0%	112.2	-0.3%	224.0	-0.4%
1993-94	2,466.4	-2.5%	336.3	6.9%	447.2	7.3%	1,340.4	-8.3%	103.6	-7.7%	238.8	6.6%
1994-95	2,369.8	-3.9%	353.8	5.2%	494.1	10.5%	1,175.6	-12.3%	90.1	-13.0%	256.3	7.3%
1995-96	2,248.2	-5.1%	398.8	12.7%	533.5	8.0%	927.2	-21.1%	78.6	-12.8%	310.1	21.0%
1996-97	2,527.9	12.4%	470.5	18.0%	568.8	6.6%	1,045.9	12.8%	89.0	13.2%	353.6	14.0%
1997-98	2,476.5	-2.0%	469.6	-0.2%	549.1	-3.5%	1,005.1	-3.9%	88.9	-0.1%	363.7	2.9%
1998-99	2,617.8	5.7%	514.7	9.6%	579.9	5.6%	1,049.1	4.4%	93.1	4.7%	381.0	4.8%
1999-00	2,801.5	7.0%	536.9	4.3%	625.9	7.9%	1,135.4	8.2%	97.8	5.1%	405.6	6.4%
2000-01	3,014.0	7.6%	574.2	7.0%	664.4	6.1%	1,229.2	8.3%	105.1	7.4%	441.3	8.8%
2001-02	3,251.9	7.9%	618.7	7.7%	699.0	5.2%	1,337.8	8.8%	127.3	21.1%	469.1	6.3%
Ave. Growth Rate (1970-2002)		6.5%		8.4%		7.9%		5.1%		7.5%		10.8%
Ave. Growth Rate (1990-2002)		2.8%		8.0%		5.8%		-0.3%		1.7%		7.8%

NOTES: Dollar figures in millions.
 "Other Districts" include urban renewal districts.



COUNTY NAME	TotalTax-URtax	Counties	Cities	K-12+ESDTax
BAKER	11,883,540	\$3,560,928	\$2,219,999	4,316,628
BENTON	66,654,850	\$13,270,709	\$20,203,112	25,477,658
CLACKAMAS	341,817,293	\$61,155,304	\$53,855,536	160,127,535
CLATSOP	41,509,027	\$4,903,618	\$7,181,079	18,803,712
COLUMBIA	35,087,074	\$4,858,240	\$3,747,304	16,654,398
COOS	38,320,316	\$3,680,782	\$9,395,130	16,157,873
CROOK	13,211,365	\$3,553,530	\$1,107,534	6,189,747
CURRY	14,795,950	\$920,274	\$2,308,056	7,497,716
DESCHUTES	128,777,703	\$24,585,453	\$16,255,920	59,163,546
DOUGLAS	55,564,609	\$5,262,997	\$12,651,375	26,708,781
GILLIAM	2,676,062	\$837,029	\$259,304	1,188,901
GRANT	5,110,751	\$1,216,082	\$534,210	1,814,187
HARNEY	4,612,533	\$1,473,647	\$636,317	1,799,559
HOOD RIVER	13,811,347	\$1,871,905	\$1,212,552	8,262,314
JACKSON	135,946,769	\$24,135,295	\$32,596,908	60,613,350
JEFFERSON	15,534,835	\$5,256,569	\$946,958	6,637,327
JOSEPHINE	34,511,758	\$3,580,418	\$5,942,342	22,078,028
KLAMATH	34,802,938	\$7,063,374	\$4,327,654	12,571,077
LAKE	5,329,774	\$1,367,843	\$569,977	2,191,321
LANE	258,976,656	\$25,669,845	\$85,115,861	113,355,769
LINCOLN	55,700,268	\$12,259,948	\$10,861,812	24,571,869
LINN	76,375,447	\$15,916,752	\$18,488,545	31,787,830
MALHEUR	14,176,520	\$3,563,510	\$3,184,085	5,573,049
MARION	204,076,130	\$38,298,541	\$49,041,565	86,234,868
MORROW	16,484,948	\$4,072,458	\$1,748,797	7,488,665
MULTNOMAH	796,137,853	\$210,183,468	\$245,674,379	292,987,028
POLK	42,738,733	\$5,821,085	\$11,255,145	20,377,937
SHERMAN	2,808,227	\$1,438,985	\$113,193	967,964
TILLAMOOK	25,015,744	\$6,579,735	\$1,366,250	12,268,274
UMATILLA	47,978,274	\$9,498,366	\$8,924,333	22,201,598
UNION	14,030,390	\$3,079,578	\$3,877,665	6,106,071
WALLOWA	5,670,944	\$1,215,247	\$668,201	2,762,766
WASCO	20,595,243	\$5,629,972	\$1,776,143	8,477,940
WASHINGTON	483,328,885	\$91,545,314	\$67,218,043	214,524,595
WHEELER	1,188,032	\$595,948	\$76,557	430,883
YAMHILL	60,190,577	\$10,769,976	\$13,680,952	29,380,353

TOTAL	3,125,431,367 3,125,431,367	618,692,724	699,022,791	1,337,751,117
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CC Taxes Imposed

CCTax	SDTax	Total-Impose	COUNTY NAME	SumOfTotal-Impose
\$544,630	\$1,241,355	11,310,520	BAKER	521,274
\$3,300,974	\$4,402,398	62,935,797	BENTON	3,174,382
\$17,342,285	\$49,336,633	322,341,158	CLACKAMAS	12,058,719
\$2,517,860	\$8,102,758	40,294,710	CLATSOP	2,433,352
\$1,131,964	\$8,695,169	34,844,838	COLUMBIA	710,877
\$2,006,020	\$7,080,511	37,223,019	COOS	1,959,654
\$671,688	\$1,688,867	11,953,304	CROOK	619,406
\$1,167,352	\$2,902,551	13,419,978	CURRY	1,122,928
\$6,999,489	\$21,773,295	118,319,401	DESCHUTES	6,400,661
\$2,278,194	\$8,663,263	52,009,107	DOUGLAS	2,212,373
	\$390,828	2,610,009	HOOD RIVER	35,057
	\$1,546,273	4,478,433	JACKSON	4,838,965
	\$703,009	4,353,305	JEFFERSON	686,787
\$36,492	\$2,428,084	12,550,277	JOSEPHINE	1,803,647
\$5,127,703	\$13,473,513	127,446,462	KLAMATH	1,302,075
\$729,133	\$1,964,848	13,813,522	LAKE	63,378
\$1,903,319	\$1,007,651	33,325,145	LANE	14,305,411
\$1,331,483	\$9,509,350	33,585,540	LINCOLN	690,633
\$72,068	\$1,128,565	4,855,079	LINN	3,538,625
\$15,087,360	\$19,747,820	245,837,632	MALHEUR	1,284,505
\$716,742	\$7,289,898	54,076,316	MARION	9,058,484
\$3,751,710	\$6,430,610	74,169,537	MORROW	1,008,844
\$1,366,828	\$489,047	13,186,936	MULTNOMAH	16,202,405
\$9,574,756	\$20,926,401	196,871,980	POLK	2,000,752
\$981,541	\$2,193,488	15,139,573	TILLAMOOK	618,113
\$22,128,398	\$25,164,579	763,097,900	UMATILLA	2,601,631
\$2,118,141	\$3,166,425	39,942,535	WASCO	937,181
	\$288,086	2,504,760	WASHINGTON	10,444,927
\$653,693	\$4,147,792	23,870,990	YAMHILL	2,427,258
\$2,931,311	\$4,422,666	43,275,424		
	\$967,077	13,643,776		
	\$1,024,730	5,318,824		
\$995,358	\$3,715,831	19,569,671		
\$16,960,825	\$93,080,109	409,821,618		
	\$84,644	1,128,020		
\$2,831,320	\$3,527,976	56,869,801		

127,258,635

342,706,100

2,919,994,896

105,062,303

K-12 Taxes Imposed ESD Taxes Imposed

COUNTY NAME	TotalTax-URtax	TotalTax-URtax	SumOfTotal-Impose
BAKER	\$3,746,979	\$569,649	3,591,197
BENTON	\$24,089,668	\$1,387,990	
CLACKAMAS	\$151,883,763	\$8,243,773	
CLATSOP	\$18,306,284	\$497,427	17,907,219
COLUMBIA	\$16,240,444	\$413,954	16,161,243
COOS	\$14,876,433	\$1,281,440	14,067,136
CROOK	\$6,103,092	\$86,654	5,786,770
CURRY	\$6,760,404	\$737,312	5,594,860
DESCHUTES	\$58,258,537	\$905,009	53,176,374
DOUGLAS	\$24,176,284	\$2,532,496	21,680,193
GILLIAM	\$757,643	\$431,258	
GRANT	\$607,888	\$1,206,299	600,562
HARNEY	\$1,510,674	\$288,886	1,423,005
HOOD RIVER	\$7,748,678	\$513,636	6,701,800
JACKSON	\$57,089,552	\$3,523,797	
JEFFERSON	\$6,421,691	\$215,637	
JOSEPHINE	\$20,770,056	\$1,307,972	18,313,869
KLAMATH	\$11,487,866	\$1,083,211	11,252,592
LAKE	\$1,955,223	\$236,098	1,831,560
LANE	\$109,445,858	\$3,909,911	
LINCOLN	\$23,328,076	\$1,243,793	22,628,667
LINN	\$30,227,672	\$1,560,157	
MALHEUR	\$5,203,356	\$369,694	4,814,168
MARION	\$82,739,299	\$3,495,569	
MORROW	\$6,948,468	\$540,197	5,627,608
MULTNOMAH	\$274,495,619	\$18,491,409	
POLK	\$19,593,407	\$784,530	17,716,540
SHERMAN	\$640,349	\$327,615	578,091
TILLAMOOK	\$11,886,292	\$381,982	11,234,001
UMATILLA	\$20,607,185	\$1,594,412	
UNION	\$5,369,412	\$736,659	5,202,229
WALLOWA	\$1,051,851	\$1,710,915	1,193,925
WASCO	\$7,927,351	\$550,589	
WASHINGTON	\$209,723,894	\$4,800,701	
WHEELER	\$289,668	\$141,215	281,397
YAMHILL	\$27,888,137	\$1,492,216	

TOTAL	1,270,157,054	67,594,063
	1164901000	
	105256053.7	

From Levy File

SumOfUR-Impose	SumOfTotal-Impose	Total - UR
\$0	11,883,540	11,883,540
\$0	66,654,850	66,654,850
\$5,900,344	347,717,637	341,817,293
\$252,379	41,761,406	41,509,027
\$122,862	35,209,937	35,087,074
\$40,388	38,360,704	38,320,316
\$0	13,211,365	13,211,365
\$0	14,795,950	14,795,950
\$1,336,045	130,113,747	128,777,703
\$0	55,564,609	55,564,609
\$0	2,676,062	2,676,062
\$0	5,110,751	5,110,751
\$0	4,612,533	4,612,533
\$277,617	14,088,964	13,811,347
\$4,693,256	140,640,025	135,946,769
\$0	15,534,835	15,534,835
\$0	34,511,758	34,511,758
\$182,814	34,985,753	34,802,938
\$0	5,329,774	5,329,774
\$1,634,015	260,610,670	258,976,656
\$0	55,700,268	55,700,268
\$418,837	76,794,285	76,375,447
\$0	14,176,520	14,176,520
\$2,269,371	206,345,502	204,076,130
\$0	16,484,948	16,484,948
\$13,130,404	809,268,256	796,137,853
\$352,434	43,091,167	42,738,733
\$0	2,808,227	2,808,227
\$0	25,015,744	25,015,744
\$0	47,978,274	47,978,274
\$0	14,030,390	14,030,390
\$0	5,670,944	5,670,944
\$0	20,595,243	20,595,243
\$133,160	483,462,045	483,328,885
\$0	1,188,032	1,188,032
\$0	60,190,577	60,190,577
30,743,926	3,156,175,294	3,125,431,367

2001-02
PROPERTY TAX COMPRESSION LOSSES

	INSIDE M5 LIMIT SCHOOL LEVIES			INSIDE M5 LIMIT NON-SCHOOL LEVIES			----- TOTAL LEVIES ----- (Excludes Urban Renewal)		
COUNTY	LOSS	% of Tax	% Change	LOSS	% of Tax	% Change	LOSS	% of Tax	% Change
BAKER	468.3	9.6%	0%	124.7	1.8%	60.4%	593.0	4.99%	8.8%
BENTON	2,379.5	8.3%	29.6%	13.0	0.0%	-69.3%	2,392.5	3.59%	27.4%
CLACKAMAS	5,382.2	3.0%	10.4%	0.3	0.0%	-2.1%	5,382.5	1.57%	10.4%
CLATSOP	605.0	2.8%	25.0%	49.0	0.2%	85.4%	654.0	1.58%	28.1%
COLUMBIA	245.4	1.4%	-28.3%	10.2	0.1%	2.8%	255.6	0.73%	-27.4%
COOS	469.5	2.6%	25.2%	12.7	0.1%	8.4%	482.2	1.26%	24.7%
CROOK	112.3	1.6%	22.0%	0.7	0.0%	34.5%	113.0	0.86%	22.1%
CURRY	2.8	0.0%	-27.3%	0.0	0.0%	0.0%	2.8	0.02%	-27.3%
DESCHUTES	522.3	0.8%	3.7%	13.2	0.0%	31.1%	535.5	0.42%	4.3%
DOUGLAS	434.1	1.5%	-31.7%	151.8	0.6%	15.1%	585.8	1.05%	-23.6%
GILLIAM	27.2	2.3%	-27.5%	12.4	0.8%	14.7%	39.6	1.48%	-18.1%
GRANT	25.8	1.4%	-3.1%	1.6	0.0%	27.2%	27.3	0.53%	-1.8%
HARNEY	47.0	2.6%	-35.6%	31.8	1.1%	7.6%	78.8	1.71%	-23.2%
HOOD RIVER	66.8	0.8%	3.6%	0.0	0.0%	-1.0%	66.8	0.48%	3.6%
JACKSON	466.9	0.7%	40.9%	1.9	0.0%	185.7%	468.9	0.34%	41.2%
JEFFERSON	196.8	2.7%	3.0%	19.7	0.2%	613.0%	216.5	1.39%	11.7%
JOSEPHINE	168.4	0.7%	-10.9%	0.0	0.0%	-52.8%	168.4	0.49%	-10.9%
KLAMATH	2.1	0.0%	-99.5%	647.2	3.0%	66.6%	649.3	1.87%	-17.0%
LAKE	9.6	0.4%	-79.7%	54.6	1.8%	42.7%	64.2	1.20%	-25.0%
LANE	9,564.2	7.4%	39.6%	1.9	0.0%	62.3%	9,566.1	3.69%	39.6%
LINCOLN	488.2	1.9%	7.1%	0.1	0.0%	-30.6%	488.3	0.88%	7.1%
LINN	844.5	2.4%	13.1%	317.9	0.8%	136.8%	1,162.4	1.52%	32.0%
MALHEUR	174.3	2.5%	16.9%	14.6	0.2%	26.6%	188.8	1.33%	17.6%
MARION	924.1	1.0%	-14.6%	293.4	0.3%	48.8%	1,217.5	0.60%	-4.8%
MORROW	168.5	2.0%	-40.9%	88.9	1.1%	1.6%	257.4	1.56%	-30.9%
MULTNOMAH	12,165.7	3.9%	-46.1%	12,207.2	2.5%	0.8%	24,372.9	3.06%	-29.7%
POLK	238.5	1.1%	21.2%	0.0	0.0%	-54.3%	238.6	0.56%	21.2%
SHERMAN	48.6	5.0%	-56.3%	83.5	4.5%	13.0%	132.1	4.71%	-28.6%
TILLAMOOK	133.0	1.0%	21.2%	1.6	0.0%	5.0%	134.6	0.54%	20.9%
UMATILLA	1,548.4	6.2%	31.5%	39.2	0.2%	22.2%	1,587.6	3.31%	31.2%
UNION	112.7	1.8%	-14.6%	48.5	0.6%	51.0%	161.2	1.15%	-1.8%
WALLOWA	30.6	1.1%	14.3%	0.2	0.0%	3469.0%	30.7	0.54%	14.9%
WASCO	295.2	3.1%	20.6%	18.5	0.2%	56.6%	313.8	1.52%	22.2%
WASHINGTON	3,044.1	1.3%	21.5%	2.4	0.0%	141.9%	3,046.5	0.63%	21.6%
WHEELER	13.8	3.2%	-42.3%	14.7	1.9%	20.6%	28.4	2.39%	-21.0%
YAMHILL	313.6	1.0%	10.0%	0.3	0.0%	-83.2%	313.9	0.52%	9.4%
TOTAL	41,740	2.85%	-12.9%	14,277.5	0.84%	5.8%	56,017	1.79%	-8.8%

NOTE: Thousands of Dollars. Levies for joint districts are apportioned among counties.

Compression Loss equals the M5 compression losses for local taxing districts, excluding urban renewal agencies.

PROPERTY TAX RELIEF

General property tax relief began with the Property Tax Relief Act of 1929. This act imposed a personal income tax and dedicated the revenues to offset the State's property tax levy. As a result, the State has not levied a property tax since 1940.

Homeowners and Renters Refund Program (HARRP)

HARRP was created in 1973 and discontinued by the 1991 Legislature. Refunds were phased down in 1991 and then ended. In 1991 HARRP gave property tax refunds to homeowners and renters with household income of less than \$10,000. Assets (excludes homestead, personal property and retirement plans) could not exceed \$25,000 unless age 65 or older. The program refunded property taxes up to a maximum for each income group.

Property Tax Relief Program (PTR)

PTR was enacted in 1979 and repealed by the 1985 Legislature. The program, when originally enacted, refunded 30% of qualifying operating levies up to a maximum of \$800 for each homeowner. Renters were refunded 4.7% of contract rent up to \$400 for each renter.

Elderly Rental Assistance (ERA)

ERA was enacted in 1975. ERA makes payments to renters age 58 and older with household income less than \$10,000. Assets (excludes homestead, personal property and retirement plans) must be less than \$25,000 if under age 65. Rent for calculating a payment is limited to \$2,100 and must exceed 20% of household income. The payment is gross rent (includes fuel and utilities) up to the \$2,100 limit less 20% of household income. The maximum payment is \$2,100 at zero income and the minimum \$100 at \$10,000 income.

Taxpayers must file Form 90R to apply for a payment. Payments are made by check in October of each year. About 5,300 renters received an average ERA payment of \$515 in the year 2001 for a cost of roughly \$2.7 million to the General Fund. Since 1993, the numbers of participants and total cost of the program have declined by almost half.

Senior Citizens Property Tax Deferral Program

The senior deferral was enacted in 1963. Homeowner age 62 and over can defer payment of property taxes until the owner dies or sells the property. The State pays the tax and gets a lien on the property for the tax and accrued simple interest at the rate of 6% per year. To qualify, the owner must have a household income of under \$24,500 in the year prior to applying. Once on the program, a taxpayer may defer only in years when federal adjusted gross income is less than \$29,000 in the prior year. In 1977, the Legislature expanded the program to include special assessments. The 1999 Legislature opened the deferral program to the disabled community and increased the initial income limit to \$27,500 in the year prior to applying, and raised household income once in the program to \$32,000. The 2001 Legislature raised the initial household income to match "once in the program limit" of \$32,000. These new income limits are also indexed to the U.S. Urban CPI.

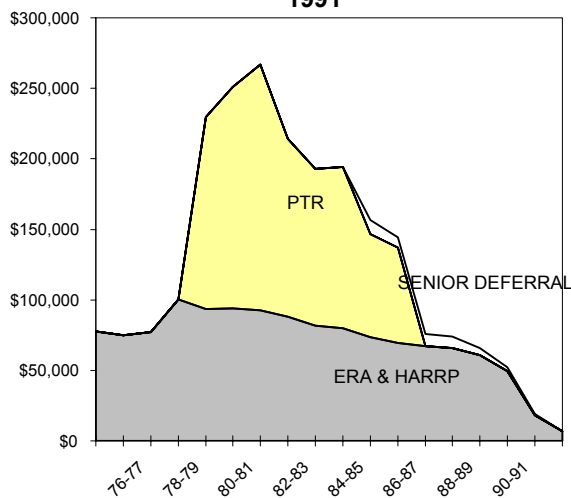
Beginning in 1985, the legislature appropriates General Fund money to subsidize the program. Until 1995, senior deferral tax payments were considered a General Fund investment. Since 1992, the amount of repayment by participants exceeded the total payment to counties.

GENERAL FUND EXPENDITURES FOR PROPERTY TAX RELIEF

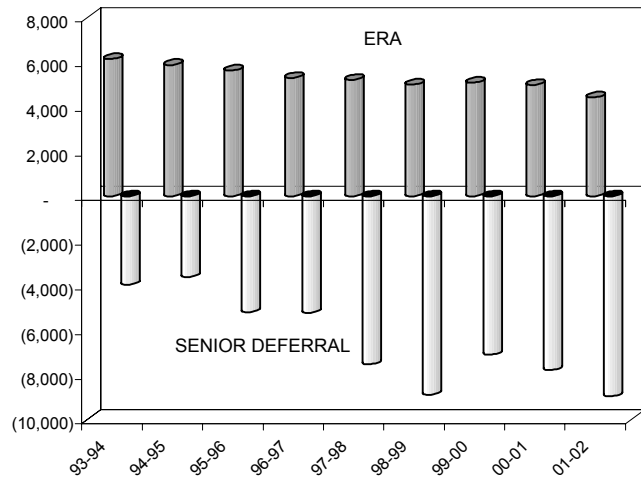
FISCAL YEAR	GENERAL FUND EXPENDITURES (\$ 000)				HARRP PROGRAM PARAMETERS			PTR MAXIMUM PAYMENT
	ERA*** & HARRP*	PTR	SENIOR** DEFERRAL	TOTAL	INCOME LIMIT	MAXIMUM REFUND	ASSET TEST	
1975-76	\$77,693	\$0	\$0	\$77,693	15,000	490		
1976-77	74,887	0	0	74,887	15,000	490		
1977-78	77,335	0	0	77,335	15,000	490		
1978-79	100,076	0	0	100,076	16,000	655		
1979-80	93,444	135,993	0	229,437	17,500	750		800
1980-81	93,879	157,261	0	251,140	17,500	750		800
1981-82	92,810	174,053	0	266,863	17,500	750		425
1982-83	87,883	126,264	0	214,147	17,500	750		192
1983-84	81,755	111,089	0	192,844	17,500	750		170
1984-85	79,688	114,451	0	194,139	17,500	750		170
1985-86	73,573	72,913	9,926	156,412	17,500	750		100
1986-87	69,489	67,519	7,160	144,168	17,500	750		100
1987-88	67,215	0	8,559	75,774	17,500	750		0
1988-89	65,773	0	8,293	74,066	17,500	750		0
1989-90	60,971	0	4,817	65,788	17,500	750		0
1990-91	49,257	0	2,783	52,040	17,500	750	25,000	0
1991-92	18,256	0	633	18,889	10,000	500	25,000	0
1992-93	6,586	0	(1,399)	5,187	0	0	0	0
1993-94	6,143	0	(3,964)	2,179	0	0	0	0
1994-95	5,875	0	(3,612)	2,263	0	0	0	0
1995-96	5,630	0	(5,195)	435	0	0	0	0
1996-97	5,291	0	(5,219)	72	0	0	0	0
1997-98	5,205	0	(7,528)	(2,323)	0	0	0	0
1998-99	5,000	0	(8,887)	(3,887)	0	0	0	0
1999-00	5,085	0	(7,097)	(2,012)	0	0	0	0
2000-01	4,984	0	(7,779)	(2,795)	0	0	0	0
2001-02	4,417	0	(8,958)	(4,541)	0	0	0	0

NOTE: * HARRP refunds ended with the Oct. 1991 payment based on the 1990 return
 ERA continues. ERA is for renters age 58 or older with household income less than \$10,000
 ** General Fund cost as current year payments less repayments for prior years
 Prior to 1985-86 deferral payments were treated as General and Other Fund investments
 *** ERA numbers include Nonprofit Housing starting 1991-92.

**GENERAL FUND EXPENDITURES
FOR PROPERTY TAX RELIEF- 1976-1991**



**GENERAL FUND EXPENDITURES FOR
PROPERTY TAX RELIEF -1992-2002**



PROPERTY TAX RELIEF

HOMEOWNER'S AND RENTER'S REFUND PROGRAM (HARRP)

RETURN YEAR	REFUNDS (\$000)				NUMBER OF RETURNS				AVERAGE REFUND (\$)			
	HOME OWNER	RENTER	MOBILE HOME	TOTAL	HOME OWNER	RENTER	MOBILE HOME	TOTAL	HOME OWNER	RENTER	MOBILE HOME	TOTAL
1975	48,277	25,789	3,017	77,083	268,010	240,922	18,445	527,377	180.13	107.04	163.57	146.16
1976	44,044	25,939	3,055	73,038	234,813	241,469	18,229	494,511	187.57	107.42	167.59	147.70
1977	57,781	31,984	4,223	93,988	222,570	214,217	19,020	455,807	259.61	149.31	222.03	206.20
1978	53,172	32,015	3,878	89,065	209,977	221,354	20,410	451,741	253.23	144.63	190.00	197.16
1979	51,211	31,990	4,278	87,479	200,311	238,150	21,254	459,715	255.66	134.33	201.28	190.29
1980	49,861	33,297	4,422	87,580	185,111	238,498	20,997	444,606	269.36	139.61	210.60	196.98
1981	47,477	32,856	4,416	84,749	171,208	221,018	20,083	412,309	277.31	148.66	219.89	205.55
1982	43,886	26,677	4,174	74,737	152,214	175,902	18,069	346,185	288.32	151.66	231.00	215.89
1983	40,938	28,207	4,092	73,237	143,524	182,165	17,363	343,052	285.23	154.84	235.67	213.49
1984	37,002	28,229	3,950	69,181	129,900	179,968	16,335	326,203	284.85	156.86	241.81	212.08
1985	34,518	25,136	3,852	63,506	120,882	176,986	15,742	313,610	285.55	142.02	244.70	202.50
1986	32,342	25,329	4,047	61,718	112,816	169,351	15,255	297,422	286.68	149.57	265.29	207.51
1987	32,253	24,129	4,104	60,486	110,549	164,051	14,925	289,525	291.75	147.08	274.97	208.91
1988	29,851	22,646	3,886	56,383	103,337	157,141	14,127	274,605	288.87	144.11	275.08	205.32
1989	22,602	19,774	3,484	45,859	79,190	138,598	12,713	230,501	285.41	142.67	274.05	198.95
1990	4,578	4,487	747	9,812	26,873	56,711	4,772	88,356	170.36	79.12	156.54	111.05

HARRP NOTES:

HARRP program ended in 1991.

Refunds for 1971 and 1972 were under the Homeowners Property Tax Relief Program (HOPTR).

Mobile homes are included in homeowners and renters for 1973 and 1974.

In 1973 the household income limit increased to \$16,000 and the maximum refund schedule increased.

In 1977 the household income limit increased to \$17,500 and the maximum refund schedule increased.

In 1982 the HARRP packet was separated from the income tax packet and mailed late in March of 1983.

In 1985 each qualified renter filed separately - previously only one return was allowed per household

In 1989 asset test added for those under age 65. Assets must be less than \$25,000 excluding the homestead's tangible personal property and retirement plans.

In 1990 the household income limit decreased to \$10,000 and the maximum refund schedule decreased.

ERA NOTES:

In 1975 renters eligible if age 65 or older with income less than \$3,000 and rent exceeds 60% of income.

In 1977 age reduced to 58, income increased to \$5,000 and rent (up to \$2,100) exceeds 40% of income.

In 1989 asset limit of \$25,000 (with exclusions) added if under age 65.

In 1991 household income limit increased to \$10,000 and percent of income reduced to 20%.

Payment equals rent (up to \$2,100) less 20% of household income (\$10,000 limit).

ERA payments are made each fall for returns filed in the Spring. Returns maybe filed up to 3 years later.

ELDERLY RENTAL ASSISTANCE (ERA)

RETURN YEAR	REFUNDS (\$000)	RETURNS	AVERAGE REFUND
1980	2,820	4,699	\$600
1981	2,184	3,525	620
1982	2,028	3,129	648
1983	1,757	2,738	642
1984	1,482	2,397	618
1985	1,358	2,228	610
1986	1,161	1,930	602
1987	1,063	1,810	587
1988	879	1,549	567
1989	549	1,045	526
1990	6,357	11,372	559
1991	5,564	10,430	533
1992	6,555	9,216	711
1993	5,522	9,542	579
1994	4,978	8,880	561
1995	4,652	8,230	565
1996	4,425	7,873	562
1997	4,214	7,571	557
1998	4,289	7,708	556
1999	4,190	7,479	560
2000	3,382	7,538	449
2001	2,724	5,293	515
2002			

NON PROFIT HOUSING

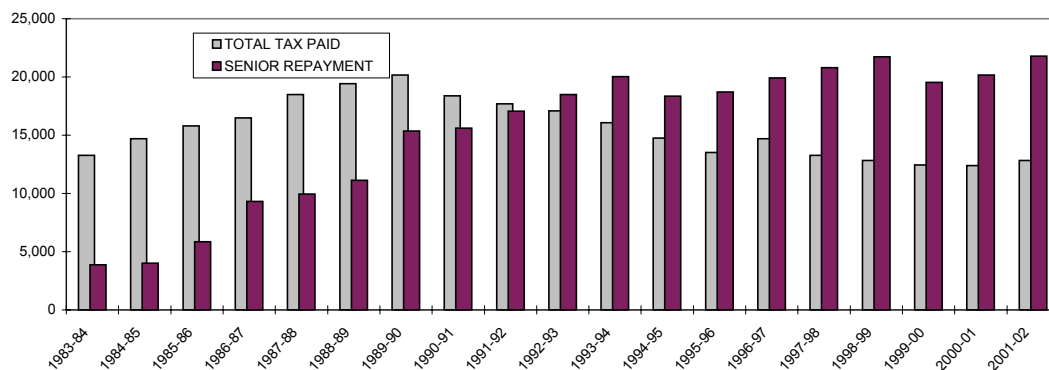
RETURN YEAR	REFUNDS (\$000)	RETURNS	AVERAGE REFUND
FY 94	648	25	\$25,920
FY 95	664	28	23,714
FY 96	760	31	24,516
FY 97	747	32	23,344
FY 98	828	34	24,353
FY 99	901	36	25,028
FY 00	1009	38	26,553
FY 01	840	39	21,538
FY 02	1083	41	26,415

SENIOR CITIZENS PROPERTY TAX DEFERRAL

FISCAL YEAR	PROPERTY TAXES		SPECIAL ASSESSMENT		Disabled Deferral		(\$ 000)		
	PAID ACCTS.	AVE. PAID	PAID ACCTS.	AVE. PAID	PAID ACCTS.	AVE. PAID	TOTAL TAX PAID	SENIOR REPAYMENT	BALANCE OWED
1978-79	1,976	845	111	147	0	0	1,676	273	N/A
1979-80	4,000	645	168	187	0	0	2,649	370	N/A
1980-81	6,046	723	184	352	0	0	4,438	559	N/A
1981-82	7,097	917	246	442	0	0	6,614	833	N/A
1982-83	8,827	1,103	389	656	0	0	9,992	1,529	22,859
1983-84	10,976	1,181	404	761	0	0	13,275	3,864	34,540
1984-85	11,603	1,236	430	853	0	0	14,710	4,018	45,806
1985-86	12,228	1,261	501	735	0	0	15,785	5,859	56,811
1986-87	12,632	1,282	419	677	0	0	16,480	9,320	65,732
1987-88	12,738	1,430	422	548	0	0	18,493	9,934	75,236
1988-89	13,092	1,463	396	613	0	0	19,410	11,117	84,834
1989-90	13,165	1,513	393	641	0	0	20,164	15,347	91,676
1990-91	12,976	1,398	379	579	0	0	18,387	15,603	96,856
1991-92	12,039	1,449	411	544	0	0	17,685	17,051	100,433
1992-93	12,181	1,387	476	337	0	0	17,085	18,484	102,763
1993-94	11,681	1,358	495	366	0	0	16,058	20,022	102,937
1994-95	11,216	1,299	504	334	0	0	14,740	18,352	103,967
1995-96	10,763	1,235	431	397	0	0	13,519	18,714	102,373
1996-97	10,520	1,380	365	391	0	0	14,703	19,921	101,801
1997-98	10,823	1,207	343	404	0	0	13,260	20,788	99,784
1998-99	9,769	1,272	209	302	0	0	12,832	21,719	136,268
1999-00	9,184	1,345	170	415	0	0	12,443	19,541	135,161
2000-01	8,822	1,396	155	468	0	0	12,392	20,172	133,271
2001-02	8,682	1,446	137	473	191	1,123	12,835	21,792	129,900

NOTES: Senior repayment excludes special assessments until 1983-84. Balance owed excludes interest up to 98-99.
 From 1991-92 General Fund appropriation not used. Deferral fund plus repayments exceed costs.
 Interest rate of 6% and calculated as simple interest.
 In 1984 household income limit of \$17,500 added for tax deferral and special assessment.
 Property tax deferral income limit was \$18,500 in 1990, \$19,500 in 1991, and \$24,500 through tax year 2000-01.
 The property tax deferral income increased to \$27,500 in 2001-02.
 In 2001-02, the tax deferral income was increased to \$32,000 to remain eligible for the program, and indexed to the CPI.
 The qualification limit to qualify for the program will increase to \$32,00 and indexed to the CPI in 2002-03 .
 Household income limit for the Special Assessment Deferral was \$17,500. It is to increase to 32,000 and to be indexed to the CPI.
 The 199 Legislature opened the deferral program to the disabled community beginning 2001-02.
 In 1998-99, a large number of small Special Assessment Deferral accounts were paid out.

SENIOR DEFERRAL PROGRAM



SCHOOL FINANCE

K-12 School Districts

Oregon has 198 school districts serving about 550,000 students in kindergarten through high school. These districts operate with relative autonomy within guidelines specified by both the Legislature and the State Department of Education. The federal government also requires certain mandated programs.

Local Revenue

School districts receive general operating revenue from various sources. Property taxes are the primary source. Other sources include state timber sales, the state Common School Fund, federal forest payments and county school funds. Local revenues are included in the school distribution formula and are about 30% of state and local formula operating revenue.

State Support

The Legislature through the State School Fund (SSF) provides about 70% of school formula operating revenue. This revenue is mostly from state income taxes and lottery revenue. The state's share increased from about 30% before Measure 5 (1990) to about 70% after Measure 50 (1997). State revenue replaced reduced local revenue because of these property tax limitations. Along with increased state aid, the school finance distribution method for state support changed dramatically.

Funding Equity

The 1991 Legislature adopted the school equalization formula and phased in its implementation. Equity as measured by the equalization formula applied to all school districts beginning in 2001-02. The 2001 Legislature also provided some funding outside the equalization formula for school improvements and small high schools.

Equalization Formula

The SSF equalization formula distributes an amount to each school district based primarily on number of students. The state grant is this formula amount reduced by local revenues. The formula equalizes revenues per student by removing past differentials caused by widely varying local tax rates and property wealth. To recognize that some students need more school services and their schools may face higher costs, the formula assigns weights to certain students. For example, special education students count as 2.0 students to recognize their need for special programs. Additional student weights are for English as a second language programs, students from families in poverty, remote small schools and others. A general purpose grant per weighted student is adjusted for the experience level of teachers. The formula also funds 70% of transportation costs and up to 8% of classroom construction costs.

Local Option

School districts may ask voters to approve temporary local option levies. The levies are limited to the lesser of (1) the district Measures 5 and 50 tax gap, (2) 10% of formula revenue or (3) \$500 per weighted student.

Education Service Districts

The school system also includes education service districts (ESDs). Twenty-one ESDs statewide provide regional educational support services. ESD property taxes and state aid accounts for about 5% of statewide K-12 school general operating revenue. Their major source of general

revenue is state aid. Before Measure 5 (1990), they received no aid from the State School Fund. Subsequently state support helped replace reduced property taxes. In 1999-00 state support was increased primarily to help 9 ESDs below the state average revenue per student.

The 2001 Legislature adopted a phased-in plan to equalize ESD revenue. Those below the state ESD average revenue per student gradually receive more and those above the average gradually receive less. Final equalization begins in 2005-06 when revenue for each ESD is 5.26% of the formula revenue of its component school districts. This makes the ESD share of total ESD and K-12 school formula revenue 5%.

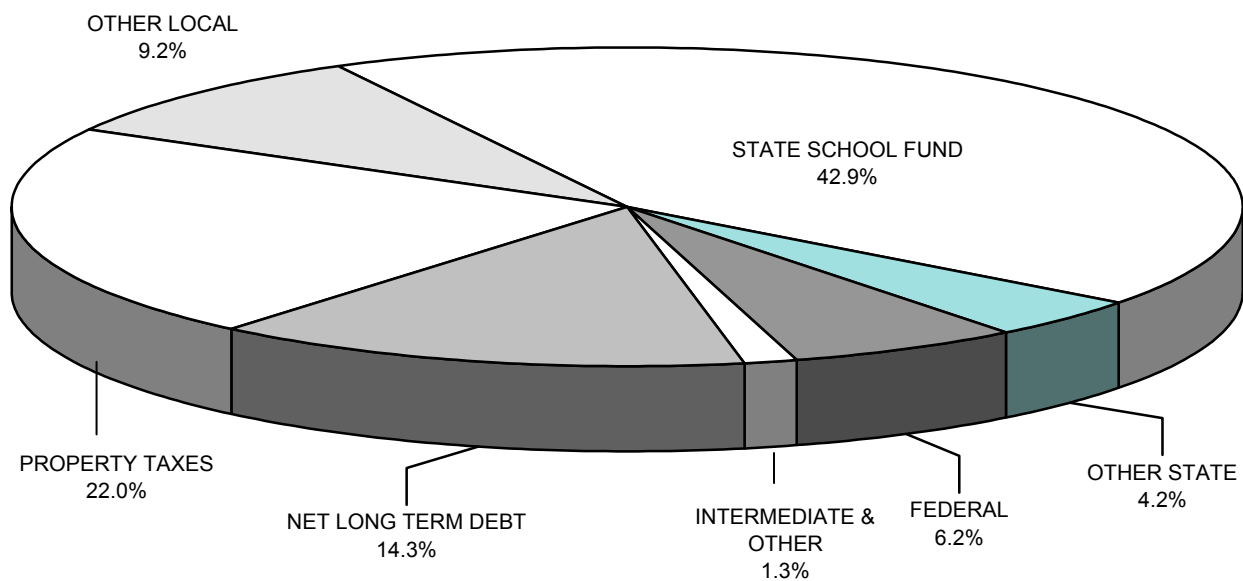
Community Colleges

Community college districts also impose property taxes and receive state aid. Unlike school districts and ESDs, another major revenue source is tuition. Also state support is not from the State School Fund. The Legislature appropriates community college aid in a lump sum. The community colleges then allocate the state funds by rule.

TOTAL SCHOOL RESOURCES

2000-01 Audited

	K-12	ESD	TOTAL
PROPERTY TAXES	1,138,449	62,883	1,201,332
OTHER LOCAL REVENUES	433,051	68,372	501,423
STATE SCHOOL FUND	2,247,356	94,695	2,342,050
COMMON SCHOOL FUND	41,715	0	41,715
OTHER STATE REVENUE	129,512	55,616	185,128
FEDERAL FOREST FEES	16,411	0	16,411
OTHER FEDERAL REVENUE	270,818	50,174	320,992
INTERMEDIATE & OTHER	56,989	15,218	72,207
NET LONG TERM DEBT	<u>778,119</u>	<u>2,639</u>	<u>780,758</u>
TOTAL REVENUE	5,112,420	349,596	5,462,016
PLUS BEG. BALANCE	<u>1,430,176</u>	<u>82,825</u>	<u>1,513,001</u>
TOTAL RESOURCES	6,542,596	432,421	6,975,017
LESS TOTAL EXPENDITURES	<u>-4,667,617</u>	<u>-358,576</u>	<u>-5,026,192</u>
ENDING BALANCE	1,874,979	73,846	1,948,825



Note: Numbers in thousands and exclude interfund transfers.
Source: Oregon Department of Education data base.

STATE SCHOOL SUPPORT HISTORY

Fiscal Year	K-12 Audited Current Operating Expenditures		Basic School Support Appropriation		BSSF Share of Operating Expenditures
	\$1,000	% Change	\$1,000	% Change	
1947-48	43,513		15,946		36.6%
1948-49	51,800	19.0%	16,954	6.3%	32.7%
1949-50	58,799	13.5%	17,489	3.2%	29.7%
1950-51	63,213	7.5%	18,425	5.4%	29.1%
1951-52	72,330	14.4%	29,597	60.6%	40.9%
1952-53	78,720	8.8%	30,986	4.7%	39.4%
1953-54	87,691	11.4%	32,370	4.5%	36.9%
1954-55	94,844	8.2%	33,478	3.4%	35.3%
1955-56	102,336	7.9%	35,178	5.1%	34.4%
1956-57	114,016	11.4%	36,378	3.4%	31.9%
1957-58	122,597	7.5%	45,153	24.1%	36.8%
1958-59	134,054	9.3%	50,987	12.9%	38.0%
1959-60	152,022	13.4%	52,612	3.2%	34.6%
1960-61	161,451	6.2%	55,020	4.6%	34.1%
1961-62	177,526	10.0%	61,785	12.3%	34.8%
1962-63	190,419	7.3%	65,454	5.9%	34.4%
1963-64	208,685	9.6%	65,184	-0.4%	31.2%
1964-65	220,225	5.5%	61,167	-6.2%	27.8%
1965-66	239,193	8.6%	72,088	17.9%	30.1%
1966-67	262,428	9.7%	75,898	5.3%	28.9%
1967-68	286,729	9.3%	77,786	2.5%	27.1%
1968-69	325,536	13.5%	77,431	-0.5%	23.8%
1969-70	363,633	11.7%	88,928	14.8%	24.5%
1970-71	398,013	9.5%	88,928	0.0%	22.3%
1971-72	421,635	5.9%	99,428	11.8%	23.6%
1972-73	459,210	8.9%	104,063	4.7%	22.7%
1973-74	505,138	10.0%	143,520	37.9%	28.4%
1974-75	579,991	14.8%	170,789	19.0%	29.4%
1975-76	659,718	13.7%	200,733	17.5%	30.4%
1976-77	716,519	8.6%	217,446	8.3%	30.3%
1977-78	777,130	8.5%	269,000	23.7%	34.6%
1978-79	883,324	13.7%	341,373	26.9%	38.6%
1979-80	993,142	12.4%	384,379	12.6%	38.7%
1980-81	1,132,706	14.1%	406,376	5.7%	35.9%

Fiscal Year	K-12 Audited Current Operating Expenditures		Basic School Support Appropriation		BSSF Share of Operating Expenditures
	\$1,000	% Change	\$1,000	% Change	
1981-82	1,248,596	10.2%	413,960	1.9%	33.2%
1982-83	1,306,447	4.6%	426,203	3.0%	32.6%
1983-84	1,375,777	5.3%	431,200	1.2%	31.3%
1984-85	1,443,655	4.9%	448,800	4.1%	31.1%
1985-86	1,536,009	6.4%	463,000	3.2%	30.1%
1986-87	1,613,506	5.0%	482,000	4.1%	29.9%
1987-88	1,717,051	6.4%	496,832	3.1%	28.9%
1988-89	1,830,678	6.6%	526,703	6.0%	28.8%
1989-90	1,983,316	8.3%	570,429	8.3%	28.8%
1990-91	2,120,311	6.9%	605,716	6.2%	28.6%
1991-92	2,264,071	6.8%	805,000	32.9%	35.6%
1992-93	2,434,392	7.5%	1,100,300	36.7%	45.2%
Fiscal Year	K-12 and ESD Operating Revenue		State School Fund		SSF Share of Operating Revenue
	\$1,000	% Change	\$1,000	% Change	
1991-92	2,379,032		818,391		34.4%
1992-93	2,590,575	8.9%	1,100,300	34.4%	42.5%
1993-94	2,475,136	-4.5%	1,131,900	2.9%	45.7%
1994-95	2,605,406	5.3%	1,427,000	26.1%	54.8%
1995-96	2,651,525	1.8%	1,750,000	19.1%	66.0%
1996-97	2,715,451	2.4%	1,759,700	0.6%	64.8%
1997-98	2,893,062	6.5%	2,022,873	15.0%	69.9%
1998-99	2,987,612	3.3%	2,100,040	3.8%	70.3%
1999-00	3,207,327	7.4%	2,243,058	6.8%	69.9%
2000-01	3,333,735	3.9%	2,339,200	4.3%	70.2%
Est. 2001-02	3,463,710	3.9%	2,429,100	3.8%	70.1%
Est. 2002-03	3,428,285	-1.0%	2,293,800	-1.9%	66.9%

Notes:

1. In 1992-93 state aid shifted to the State School Fund and a new distribution formula based on operating revenue instead of operating expenditures. Two years overlap for comparability.
2. 1993-94 to present, State School Fund includes funds for state juvenile correction schools.
3. 1997-98 to 99-00 State School Fund excludes funds not used due to a state and local revenue cap.
4. Additional funding outside the State School Fund:
1997-98 \$50 million for classroom needs; 1998-99 \$150 million lottery bond for capital;
1999-00 \$56 million lottery bond for capital; 2000-01 \$71 million lottery bond for capital;
2001-02 \$108 million for school improvement.
5. The 1999-01 interim Emergency Board added revenue to the State School Fund appropriation.
6. 2002-03 State School Fund assumes passage of temporary income tax increase in Jan. '03.

K-12 SCHOOL EQUALIZATION FORMULA STATE SCHOOL FUND

Equalization Grant or Formula Revenue		=	General Purpose Grant		+	Transportation Grant	+	Facility Grant
State School Fund Grant	+	Local Revenue	=	Students (ADMw) X \$4,500 Target Adjusted by Teacher Experience & Balanced to Total Funds	+	70% of Transportation Costs	+	Up to 8% of Construction Costs

School District Revenue

The school equalization formula determines each school district's operating revenue from the State School Fund (SSF) and local revenue. It is the sum of a general purpose grant, a transportation grant and a new facility grant.

Students (ADMw)

Student count is measured by average daily membership with extra counts or weights for students in special categories. Average daily membership (ADM) is the average number of resident students during the school year. Weighted ADM or ADMw counts students in special enrollment categories as more than one student.

The higher of the current year or prior year ADMw is used. The higher count is called extended ADMw.

Student Weights Category	Additional Weight	ADMw Count
Grade and School		
Kindergarten	- 0.50	0.50
Elementary District	- 0.10	0.90
Union High District	0.20	1.20
Remote small school	Varies	
Special education and at risk:		
Individual Education Program	1.00	2.00
English as a Second Language	0.50	1.50
Pregnant and Parenting	1.00	2.00
Students in Poverty Adjusted	0.25	1.25
Neglected and Delinquent	0.25	1.25
Students in Foster Care	0.25	1.25

A student cannot have an additional weight sum greater than 2, but not all additional weights are included.

Individual Education Program

Students with various limitations such as hearing, speech, and visual impairments receive special individual education. The count cannot exceed 11% of ADM without approval by the Department of Education.

Remote Small School

A school site qualifies for additional ADMw if

	Elementary	High
ADM less than (varies with grades)	224 (8gr)	350 (4gr)
Distance to nearest school more than	8 miles	10 miles

The additional ADMw varies with number of students and distance. Generally, the smaller the school the greater the additional weight per student. The high school distance adjustment for being less than 20 miles from the nearest high school is being phased out at 50% in 2001-03
LRO:1/21/2003

General Purpose Grant

The per student target is arbitrarily set at \$4,500 (adopted in 1991) before adjustment for teacher experience.

The teacher experience adjustment increases or decreases the target by \$25 for each year the district average teacher experience is more or less than the statewide average teacher experience.

A calculated percentage factor modifies the adjusted target amount to distribute the available state appropriation.

Transportation Grant

Reimburses 70% of approved transportation costs for:

Preschool handicapped students
Elementary students greater than 1 mile from school
Secondary students greater than 1.5 miles from school
Students going between school facilities
Students on field trips
Health or safety needs
Room and board *in lieu* of transportation

Facility Grant

Districts adding new classroom space receive up to 8% of construction (excluding land) and portable unit costs for furnishings and equipment. Total grants are limited to \$17.5 million per biennium.

Local Revenue

Includes revenue from only these sources:
Operating property taxes collected (including prior years) except Portland PERS bond and desegregation costs
Common School Fund
County School Fund
Federal timber related revenue
State managed county trust forests (Chapter 530)
Grant & Wallowa ESD funds shared with school districts
Revenue *in lieu* of property taxes
Supplantable federal funds

2001-03 Distribution

The equalization formula has no temporary constraints for the first time. The equalization grant is not subject to any special minimum or maximum amounts.

Note: Categorical Grants and Other Funds

The Legislature funds various special programs outside the State School Fund grant such as regional and hospital programs. The 2001-03 \$108 million school improvement grant and \$9 million small school grant are also in addition to the SSF formula grant.

and sunsets at the end of 2004-05.

ESD EQUALIZATION FORMULA PHASE-IN STATE SCHOOL FUND

$$\begin{array}{c}
 \text{General Services Revenue} \\
 \text{State School Fund Grant} + \text{Local Revenue}
 \end{array}
 =
 \begin{array}{c}
 \text{Balanced} \\
 \text{Percent To Balance}
 \end{array}
 \times
 \left[
 \begin{array}{c}
 \text{Base Revenue} \\
 \text{Higher (1) prior year \$ or (2) prior year \$ / Student * ADMw}
 \end{array}
 +
 \begin{array}{c}
 \text{Gap Revenue (Base Adjustment)} \\
 \text{Gap Percent X (Target - Base)}
 \end{array}
 +
 \begin{array}{c}
 \text{Minimum Revenue} \\
 \text{Extra \$ if Below Minimum}
 \end{array}
 \right]$$

Equalization Phase-in

The phased-in ESD equalization formula determines each ESD's operating revenue from the State School Fund and local revenue. It is calculated using a revenue base, equalization target and revenue gap.

The phase-in is characterized by (1) the revenue per student of low funded districts gradually increasing toward the equalization target and (2) the revenue of high funded districts gradually decreasing toward the equalization target.

The third year of a 5 year phase-in will start in 2003-04. Initial constraints are excluded from this summary. Final equalization begins in 2005-06.

Component School Districts

The school districts within the boundary of an ESD are the ESD's component school districts.

ESD Students (ADMw)

For purposes of revenue distribution the student count for an ESD is the sum of the students in its component school districts. Likewise the weighted student count is the sum of this count for its component school districts.

Local Revenue

Local revenue is the sum of these sources:

Operating property tax collections (including prior years)
State managed county trust timber (Chapter 530).

Revenue Base

The base is the greater of (1) prior year state and local formula revenue or (2) prior year state and local revenue per weighted student times current year weighted students.

Equalization Target

The target is a percent of the state and local K-12 equalization formula revenue allocated to component school districts. See following table for the split of the state total between school districts and ESDs and the phase-in percents.

Year	ESD Share Of Total	ESD Share Of K-12
2002-03	4.64%	4.866%
2003-04	4.75%	4.987%
2004-05	4.85%	5.097%
2005-06	5.00%	5.263%

Revenue Gap

The gap is the difference between the revenue target and the revenue base. This amount varies by ESD. If the target is greater than the base, the ESD is a low funded ESD and its allocation increases during the phase-in. If the target is less than the base, the ESD is a high funded ESD and its allocation decreases during the phase-in.

Base Adjustment

The adjustment moves the base up toward the target if the target is above the base and moves the base down toward the target if the base is above the target.

For high funded ESDs (target below base) the base is adjusted down by a percent of the gap. The percent increases

by year, but is applied to a smaller gap. Refer to the table for yearly

High Funded ESDs	
Year	Gap Percent
2002-03	25.00%
2003-04	33.33%
2004-05	50.00%
2005-06	No gap

phase-in percents. For low funded ESDs (base below target) the base is increased by a percent of the gap. This percent is not fixed, but calculated to distribute the available funds each year.

Minimum Allocation

If the initial district allocation is less than a minimum amount, it is replaced by the minimum. Then the allocations and any minimums are reduced by the percent necessary to balance to available funds. The district minimum is \$800,000 in 03-04, \$900,000 in 04-05 and \$1,000,000 beginning in 05-06.

State School Fund Grant

The grant is the allocation amount less local revenue. Any local revenue in excess of the allocation is distributed to component districts.

Equalization Beginning in 05-06

The ESD share of both school district and ESD formula revenue is 5%. The K-12 equalization formula uses 95% of this total to allocate to school districts. The ESD formula allocates 5.263% of the ESD's component school districts' formula amount to the ESD. An ESD's State School Fund grant is this allocation less its local revenue.

K-12 EQUALIZATION FORMULA REVENUE PER STUDENT

	Average Daily Membership				State School Fund and Local Revenue			
	Unweighted (ADMr)		Weighted (ADMw)		\$ Per ADMr		\$ Per ADMw	
	%		%		%		%	
	#	Change	#	Change	\$	Change	\$	Change
1992-93	486,829		566,858		5,120		4,397	
1993-94	491,982	1.1%	578,602	2.1%	4,834	-5.6%	4,110	-6.5%
1994-95	495,076	0.6%	586,828	1.4%	5,043	4.3%	4,255	3.5%
1995-96	501,919	1.4%	595,073	1.4%	5,065	0.4%	4,272	0.4%
1996-97	508,579	1.3%	605,696	1.8%	5,109	0.9%	4,290	0.4%
1997-98	514,094	1.1%	616,998	1.9%	5,371	5.1%	4,475	4.3%
1998-99	517,348	0.6%	624,228	1.2%	5,501	2.4%	4,559	1.9%
1999-00	519,587	0.4%	632,895	1.4%	5,883	6.9%	4,830	5.9%
2000-01	522,753	0.6%	638,007	0.8%	6,091	3.5%	4,991	3.3%
2001-02 Est.	528,174	1.0%	647,358	1.5%	6,234	2.4%	5,087	1.9%
2002-03 Est.	530,238	0.4%	655,486	1.3%	6,066	-2.7%	4,907	-3.5%
10 Year Growth	8.9%		15.6%		18.5%		11.6%	

Notes:

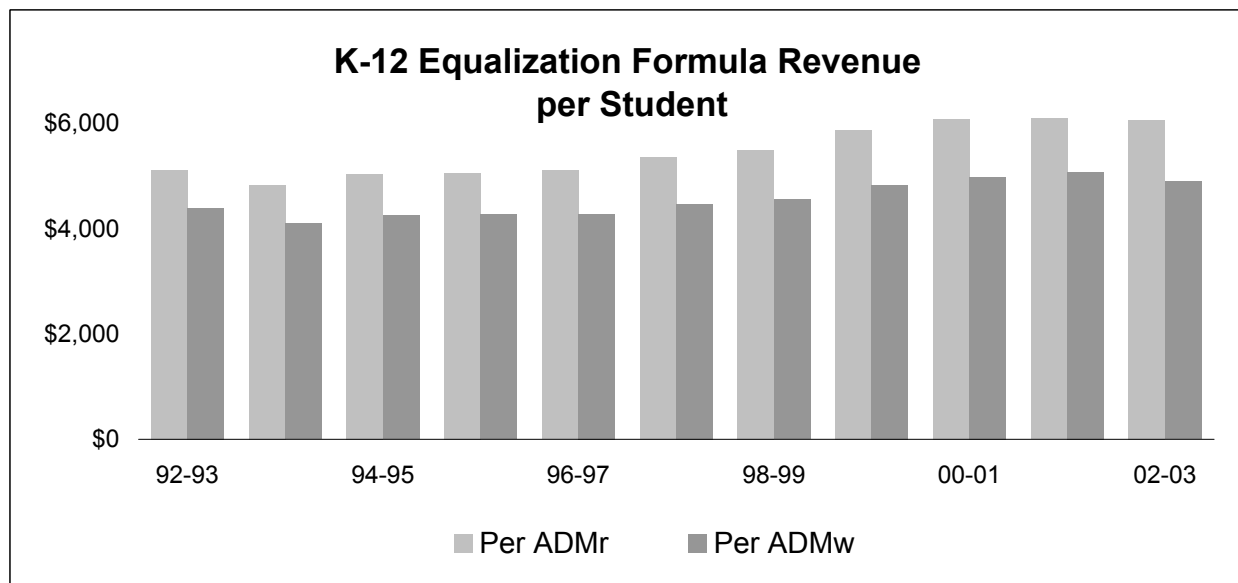
Excludes revenue outside the formula like lottery revenue bonds.

ADMw is extended ADMw (higher of current or prior year ADMw).

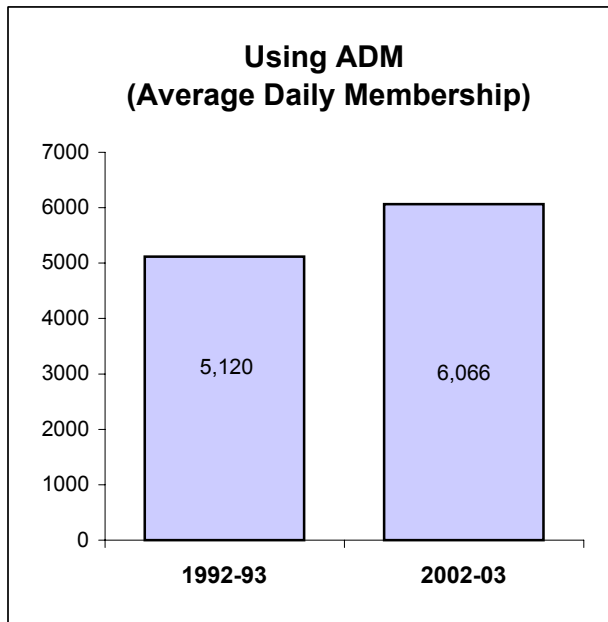
Includes students in youth corrections beginning in 1997-98.

Includes students in youth detention beginning in 2001-02.

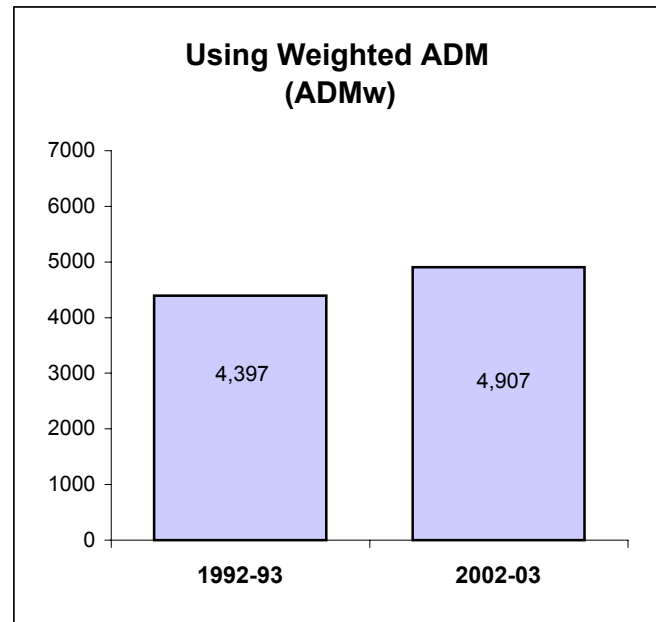
Estimate for 2002-03 assumes passage of temporary income tax increase in January 2003.



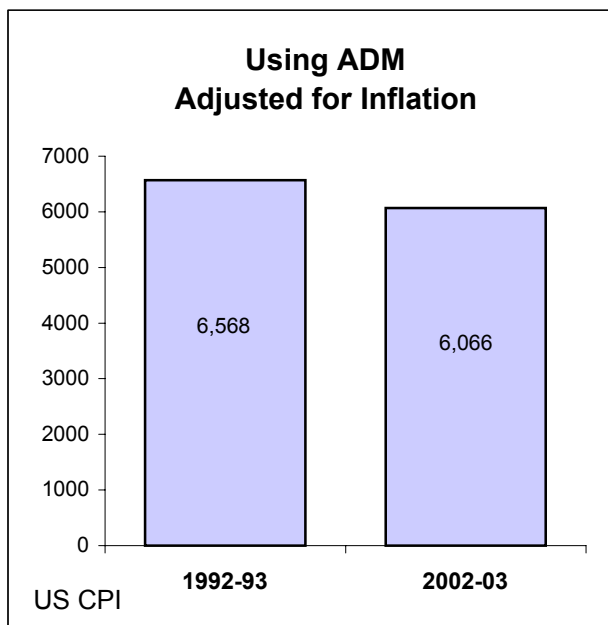
K-12 SCHOOL FINANCIAL TRENDS STATE AND LOCAL FORMULA REVENUE PER STUDENT 10 Year Comparison



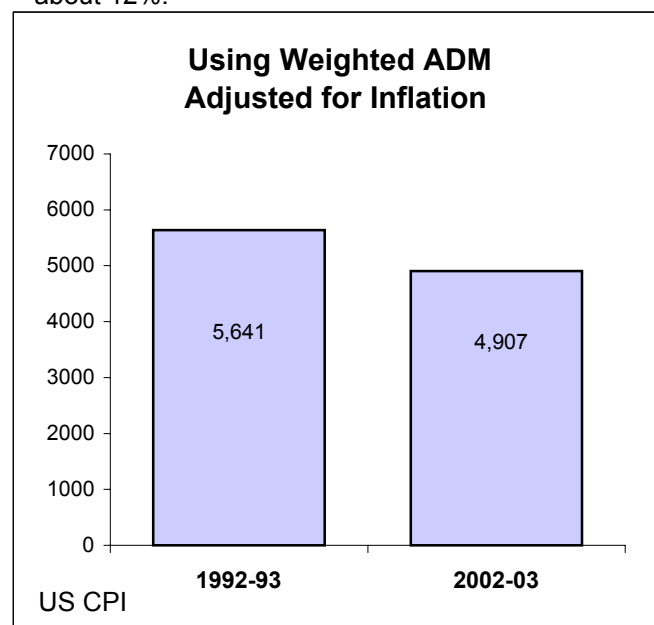
Revenue per student increased about 18%.



Revenue per weighted student increased about 12%.



Revenue per student adjusted for inflation decreased about 8%.



Revenue per weighted student adjusted for inflation decreased about 13%.

Note: 2002-03 numbers are estimates and assume passage of M28.

K-12 and ESD REVENUE HISTORY

Summary of State School Fund and Local Formula Revenue

Historical Data Adjusted to Comparable Funding Sources

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
Revenue Source											Estimates	
State												
State School Fund	818.4	1,100.3	1,131.9	1,427.0	1,750.0	1,759.7	2,048.4	2,101.6	2,246.2	2,339.2	2,429.1	2,293.8
Local K-12												
Property and Timber Taxes	1,411.3	1,356.4	1,219.9	1,060.3	799.6	848.3	781.6	801.7	845.6	873.4	919.0	950.9
Other Local	74.2	65.7	65.4	62.6	63.2	64.3	56.0	50.4	84.0	84.0	74.7	90.1
Excluded from Formula	-8.6	-11.6	-13.5	-13.4	-13.4	-13.3	-20.0	-20.0	-23.1	-22.1	-19.5	-19.5
	1,477.0	1,410.5	1,271.8	1,109.5	849.4	899.4	817.6	832.0	906.4	935.3	974.2	1,021.5
Local ESD												
Property Tax	89.0	85.1	76.6	74.0	56.6	61.4	56.5	59.5	61.8	63.2	66.1	67.7
Shared with K-12	-5.4	-5.3	-5.2	-5.1	-4.5	-5.0	-3.9	-3.9	-3.9	-3.8	-3.7	-3.7
	83.7	79.7	71.5	68.9	52.1	56.4	52.6	55.5	57.8	59.3	62.4	64.0
Total Sources	2,379.0	2,590.6	2,475.1	2,605.4	2,651.5	2,715.5	2,918.6	2,989.2	3,210.5	3,333.8	3,465.7	3,379.4
Revenue Allocation												
ESD												
Districts	95.0	98.0	97.0	108.5	109.5	117.1	130.8	139.5	148.7	148.7	156.8	148.5
OPEN Technology	0	0	0	0	0	0	1.0	1.0	1.1	1.1	0.0	0.0
K-12												
Out-of-State Disability Fund	0	0	0	0	0	0	0.4	0.4	0.4	0.4	0.4	0.4
Small High School Grants											4.6	4.6
State Special Education											7.1	7.5
Youth Corrections & Detention	0	0	0.5	0.5	5.4	6.9	8.3	9.3	10.6	10.9	15.3	15.1
District Equalization Formula	2,284.0	2,492.6	2,377.6	2,496.4	2,536.6	2,591.4	2,752.8	2,836.9	3,046.0	3,173.1	3,277.5	3,201.3
Misc. & Prior Year Corrections	0	0	0	0	0	0	0	0.5	0.5	-0.4	2.0	2.0
State												
Over Cap for Lottery Bonds	0	0	0	0	0	0	25.5	1.6	3.1	0.0	0.0	0.0
Total Allocation	2,379.0	2,590.6	2,475.1	2,605.4	2,651.5	2,715.5	2,918.6	2,989.2	3,210.5	3,333.8	3,463.7	3,379.4
Other State Revenue												
K-12 Lottery-Backed Bonds	0	0	0	0	0	0	0.0	150.0	56.0	71.0	0.0	0.0
K-12 Other/School Improvement	0	0	0	0	0	0	55.0	0.0	27.0	27.0	108.0	0.0

Notes: Dollars in millions. State School Fund in 02-03 assumes voters approve in January a temporary income tax increase.

State School Fund in 90-91 and 91-92 includes special education funds folded into SSF formula.

Pre-1997-98 years adjusted to exclude Portland property tax for PERS bond.

HIGHWAY TAXES

Highway finance in Oregon depends on four major revenue sources:

1. Fuel taxes include Motor Fuel Tax (gasoline) and Use fuel tax (diesel, natural gas, etc.). Motor Fuel Tax is paid by the wholesaler and included in the price at the pump with refunds for non-highway or exempt use. Use Fuel tax is paid by the retailer when purchased for highway use. Heavy vehicles subject to weight-mile taxes are exempt from Use Fuel Tax and eligible for refund of any Motor fuel tax paid.
2. Weight-Mile taxes on heavy vehicles (trucks) are paid monthly to the Motor Carrier Transportation Division of the Department of Transportation for each mile traveled on Oregon roads. The cost per mile is based on the declared gross weight of the truck. The rate schedule ranges, in 2,000-pound increments, from 26,000 to 105,500. The rates increase from 3.64 cents per mile to 11.97 cents per mile for trucks below 80,000 pounds. The rates for trucks over 80,000 depend on the number of axles. Log, sand and gravel, and wood chip trucks may elect to pay monthly fees in lieu of weight-mile taxes (flat fees). These are based on gross vehicle weight and do not vary with miles traveled.
3. Motor vehicle registration fees are imposed on cars and trucks. Cars and other vehicles under 8,000 pounds pay a \$30 biennial fee (new vehicles: \$60 for 4 years). Trucks pay a fee based on gross weight. These fees range from \$110 to \$415 with reduced fees for nonprofit organizations, tow trucks, and farm vehicles.
4. Vehicle Titling Fees were increased by the 2001 Legislature from \$10 per vehicle to \$30 for vehicles under 26,000 pounds and to \$90 for vehicles over 26,000 pounds (effective 10/6/01). These revenues and other Highway Fund revenues are pledged for debt service on \$500 million in revenue bonds for highway modernization and preservation projects.

These revenue sources supply most state funds available for highways. There are numerous other special fees such as recreational vehicles and motor homes registration fees, personalized license plates, and driver's licenses. Some of these are dedicated to non-highway uses.

The Oregon Constitution requires all tax revenues collected upon ownership or operation of motor vehicles be used for road related expenditures (except recreational vehicle fees which can be used for parks). The Constitution was amended in 1999 to require that light and heavy vehicles pay state user fees in proportion to the costs incurred on behalf of each vehicle class.

Highway Fund

Net revenues from the taxes and fees listed above are deposited into an account known as the Highway Fund. The Highway Fund is distributed to the state, cities and counties for road construction and maintenance. The formula for this distribution is shown in the table below, where Title Fees represents the unused portions of revenues set aside for debt service.

HIGHWAY FUND DISTRIBUTION

<u>Recipient</u>	<u>Title Fees*</u>	<u>Other</u>	<u>Basis for Distribution</u>
State	50%	60.05%	
Counties	30%	24.38%	Vehicle Registration
Cities	20%	15.57%	Population

* Revenue in excess of amounts required for debt service.

Tax Rates

Fuel tax rates and their effective dates are shown in the table below. Except for the 1988 and 1989 increases, weight-mile taxes and flat fees were increased at the same time and in similar proportion to the fuel tax increases. Weight-mile taxes and flat fees have also varied to achieve or maintain cost responsibility equivalency both among heavy vehicles and between heavy and light vehicles.

Fuel Tax Rates in Cents per Gallon			
Effective January 1 of Year Shown			
Year	Rate	Year	Rate
1968	7	1988	14
1982	8	1989	15
1984	9	1990	18
1985	10	1991	20
1986	11	1992	22
1987	12	1993	24

Total Transportation Revenue

The table below shows total revenue to the Department of Transportation by selected categories. These include revenue for transit and rail in addition to revenue for highways.

Total Transportation Revenue (millions of dollars)				
	Actual Revenue			Legislative Approved
Revenue Source	1995-97	1997-99	1999-01	2001-03
Beginning Balance	118.2	114.2	53.6	59.1
Revenues				
Fuel Taxes	779.3	800.8	808.6	825.1
Weight-Mile Taxes	408.4	477.8	429.8	408.4
Driver & Vehicle Licenses	208.7	218.1	228.7	277.0
General Fund	0.4	0.7	19.9	18.7
Federal Funds	480.5	602.2	584.8	661.3
Lottery	21.1	20.2	20.0	20.2
Bond & COP Proceeds	-	16.4	58.5	28.8
All Other	296.8	172.8	199.7	225.6
Total Revenue	2,195.1	2,309.0	2,350.0	2,164.7
Total Resources	2,313.3	2,423.2	2,403.6	2,523.9

The following two tables show gross tax collections from state imposed highway user fees and the amounts distributed through the Highway Fund for expenditure on roads by the state, cities and counties. Page G-6 shows fuel tax rates by state and page G-7 shows motor carrier fees and taxes by state for an 80,000 pound vehicle.

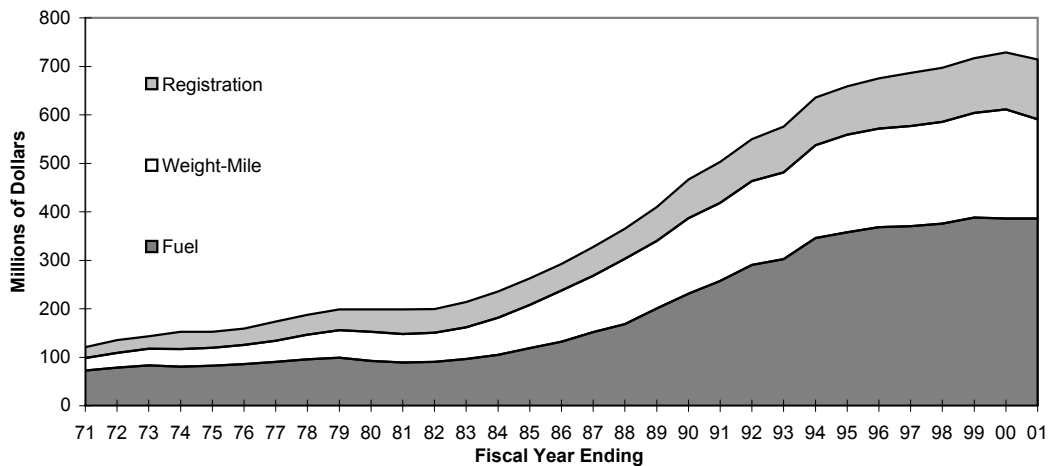
MOTOR VEHICLE AND FUEL TAX REVENUES

Gross Tax Collections* (millions)

Fiscal Year	Fuel Tax		Weight-Mile Tax		Registration & License		Total Collections	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	Growth
1970-71	72.7	60.2%	25.9	21.4%	22.2	18.4%	120.8	
1971-72	78.6	58.1%	30.4	22.5%	26.3	19.4%	135.3	12.0%
1972-73	83.4	58.1%	34.1	23.8%	26.0	18.1%	143.5	6.1%
1973-74	80.4	52.7%	36.2	23.7%	36.0	23.6%	152.6	6.3%
1974-75	82.7	54.1%	37.0	24.2%	33.1	21.7%	152.8	0.1%
1975-76	86.1	54.2%	39.3	24.7%	33.5	21.1%	158.9	4.0%
1976-77	90.6	52.1%	43.3	24.9%	40.0	23.0%	173.9	9.4%
1977-78	95.7	51.1%	50.8	27.1%	40.7	21.7%	187.2	7.6%
1978-79	99.2	49.8%	56.5	28.4%	43.3	21.8%	199.0	6.3%
1979-80	92.4	46.6%	60.1	30.3%	45.9	23.1%	198.4	-0.3%
1980-81	88.8	44.8%	58.8	29.6%	50.8	25.6%	198.4	0.0%
1981-82	90.6	45.4%	60.0	30.1%	48.9	24.5%	199.5	0.6%
1982-83	96.6	45.2%	65.2	30.5%	51.9	24.3%	213.7	7.1%
1983-84	104.9	44.6%	76.4	32.5%	54.1	23.0%	235.4	10.2%
1984-85	118.6	45.2%	89.1	34.0%	54.7	20.8%	262.4	11.5%
1985-86	132.0	45.1%	105.6	36.1%	55.1	18.8%	292.7	11.5%
1986-87	151.5	46.3%	116.6	35.6%	59.0	18.0%	327.1	11.8%
1987-88	168.3	46.1%	135.0	37.0%	61.6	16.9%	364.9	11.6%
1988-89	200.6	48.9%	139.5	34.0%	69.7	17.0%	409.9	12.3%
1989-90	231.1	49.5%	155.3	33.3%	80.5	17.2%	467.0	13.9%
1990-91	257.6	51.2%	161.1	32.0%	84.5	16.8%	503.2	7.8%
1991-92	290.2	52.8%	173.2	31.5%	86.2	15.7%	549.6	9.2%
1992-93	302.3	52.5%	179.1	31.1%	94.5	16.4%	575.9	4.8%
1993-94	345.9	54.4%	191.4	30.1%	98.6	15.5%	635.9	10.4%
1994-95	357.8	54.3%	201.3	30.6%	99.5	15.1%	658.6	3.6%
1995-96	368.1	54.5%	203.3	30.1%	104.1	15.4%	675.6	2.6%
1996-97	370.2	53.9%	206.9	30.1%	109.3	15.9%	686.4	1.6%
1997-98	375.6	53.9%	209.9	30.1%	111.3	16.0%	696.9	1.5%
1998-99	387.9	54.1%	216.1	30.1%	113.1	15.8%	717.1	2.9%
1999-00	386.4	53.0%	225.1	30.9%	116.9	16.1%	728.5	1.6%
2000-01	386.2	54.1%	204.4	28.6%	123.3	17.3%	713.9	-2.0%

* Exclusive of dedicated revenue such as recreational vehicle fees and custom license plates.

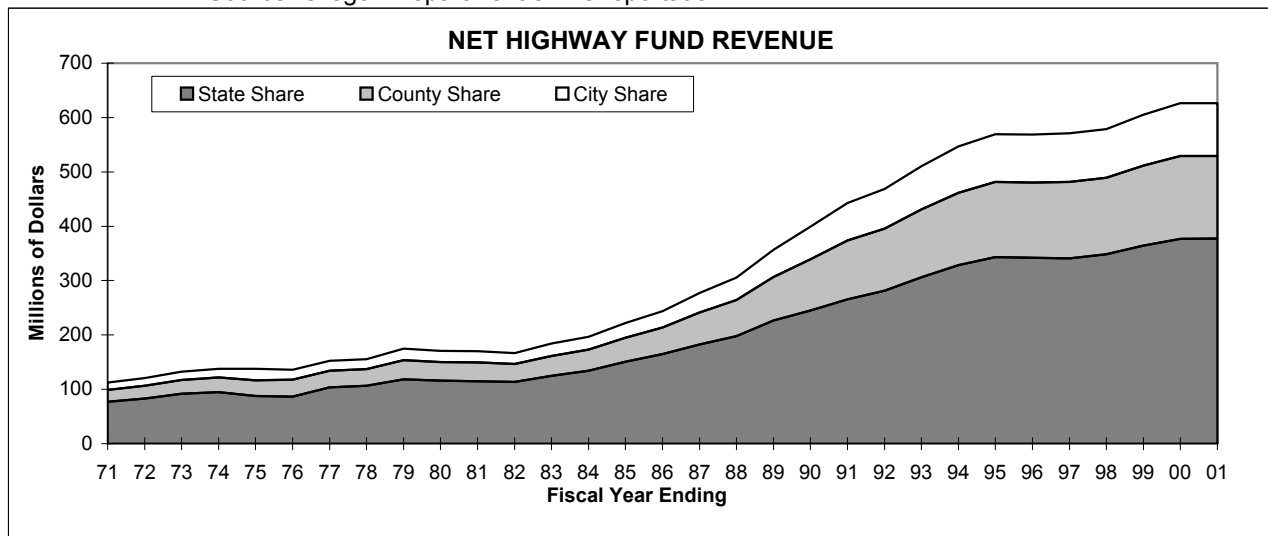
MOTOR VEHICLE AND FUEL TAX REVENUE



NET HIGHWAY FUND REVENUE
(millions)

Fiscal Year	Total Highway Fund	Less Transfers to		Net State Revenue	Growth
		Cities	Counties		
1970-71	\$ 112.3	\$ 13.1	\$ 22.0	\$ 77.2	
1971-72	120.8	14.0	23.8	83.0	7.5%
1972-73	132.5	15.1	25.8	91.6	10.4%
1973-74	138.0	16.3	27.1	94.6	3.3%
1974-75	137.6	21.1	28.9	87.6	-7.4%
1975-76	136.2	18.6	30.8	86.8	-0.9%
1976-77	152.5	18.4	30.5	103.6	19.4%
1977-78	155.5	18.4	30.6	106.5	2.8%
1978-79	174.7	21.1	35.1	118.5	11.3%
1979-80	170.8	20.7	34.1	116.0	-2.1%
1980-81	170.3	21.0	34.6	114.7	-1.1%
1981-82	166.7	19.9	32.9	113.9	-0.7%
1982-83	184.0	22.4	36.9	124.7	9.5%
1983-84	196.6	23.4	38.9	134.3	7.7%
1984-85	221.9	27.0	44.3	150.6	12.1%
1985-86	243.8	29.9	49.2	164.7	9.4%
1986-87	277.4	36.3	58.4	182.7	10.9%
1987-88	305.6	41.3	66.6	197.7	8.2%
1988-89	356.6	50.0	80.0	226.6	14.6%
1989-90	399.1	59.8	94.4	244.9	8.1%
1990-91	442.9	69.0	108.1	265.8	8.5%
1991-92	468.8	73.1	114.5	281.2	5.8%
1992-93	510.2	79.4	124.4	306.4	9.0%
1993-94	546.9	85.1	133.3	328.5	7.2%
1994-95	569.5	88.2	138.3	343.0	4.4%
1995-96	568.8	88.3	138.5	342.0	-0.3%
1996-97	571.0	89.6	140.6	340.8	-0.4%
1997-98	578.7	89.6	140.6	348.5	2.3%
1998-99	605.3	93.7	147.1	364.5	4.6%
1999-00	626.1	97.0	152.2	377.0	3.4%
2000-01	626.4	97.0	152.2	377.2	0.0%
2001-02	617.4	95.3	149.2	372.9	-1.1%

Source: Oregon Department of Transportation



MOTOR FUEL TAX RATES* (CENTS PER GALLON)

January 1, 2002

Gasoline			Diesel Fuel			Gasohol			Add Sales Tax
Rank	State	Rate	Rank	State	Rate	Rank	State	Rate	
36	Alabama	18.00	32	Alabama	19.00	36	Alabama	18.00	
50	Alaska	8.00	50	Alaska	8.00	51	Alaska	-	
36	Arizona/3	18.00	37	Arizona/3	18.00	36	Arizona/3	18.00	
21	Arkansas	21.70	22	Arkansas	21.70	20	Arkansas	21.70	
36	California	18.00	37	California	18.00	36	California	18.00	Y
17	Colorado	22.00	27	Colorado	20.00	17	Colorado	22.00	
8	Connecticut	25.00	37	Connecticut	18.00	9	Connecticut	24.00	
14	Deleware	23.00	19	Deleware	22.00	14	Deleware	23.00	
26	District of Columbia	20.00	27	District of Columbia	20.00	25	District of Columbia	20.00	
49	Florida/2	13.90	6	Florida/2	26.40	49	Florida/2	13.90	Y
51	Georgia	7.50	51	Georgia	7.50	50	Georgia	7.50	Y
44	Hawaii/1	16.00	42	Hawaii/1	16.00	43	Hawaii/1	16.00	Y
5	Idaho/7	26.00	7	Idaho/7	26.00	12	Idaho/7	23.50	
32	Illinois/1,3	19.30	23	Illinois/1,3	21.50	31	Illinois/1,3	19.00	Y
46	Indiana/3	15.00	42	Indiana/3	16.00	46	Indiana/3	15.00	Y
26	Iowa	20.00	18	Iowa	22.50	31	Iowa	19.00	
23	Kansas	21.00	15	Kansas	23.00	22	Kansas	21.00	
43	Kentucky/3,4	16.40	49	Kentucky/3,4	13.40	42	Kentucky/3,4	16.40	
26	Louisiana	20.00	27	Louisiana	20.00	25	Louisiana	20.00	
17	Maine	22.00	15	Maine	23.00	17	Maine	22.00	
13	Maryland	23.50	13	Maryland	24.30	12	Maryland	23.50	
23	Massachusetts	21.00	24	Massachusetts	21.00	22	Massachusetts	21.00	
33	Michigan	19.00	46	Michigan	15.00	31	Michigan	19.00	Y
26	Minnesota	20.00	27	Minnesota	20.00	25	Minnesota	20.00	
35	Mississippi	18.40	35	Mississippi	18.40	35	Mississippi	18.40	
41	Missouri	17.05	41	Missouri	17.05	45	Missouri	15.05	
3	Montana	27.00	3	Montana	27.75	3	Montana	27.00	
6	Nebraska/5	25.40	10	Nebraska/5	24.80	5	Nebraska/5	25.40	
11	Nevada/1	24.00	5	Nevada/1	27.00	9	Nevada/1	24.00	
33	New Hampshire	19.00	32	New Hampshire	19.00	31	New Hampshire	19.00	
47	New Jersey	14.50	40	New Jersey	17.50	47	New Jersey	14.50	
36	New Mexico	18.00	32	New Mexico	19.00	36	New Mexico	18.00	
16	New York/4	22.60	26	New York/4	20.85	16	New York/4	22.60	Y
10	North Carolina/4	24.45	12	North Carolina/4	24.45	8	North Carolina/4	24.45	
23	North Dakota	21.00	24	North Dakota	21.00	22	North Dakota	21.00	
17	Ohio	22.00	19	Ohio	22.00	17	Ohio	22.00	
42	Oklahoma	17.00	47	Oklahoma	14.00	41	Oklahoma	17.00	
11	Oregon/1	24.00	14	Oregon/1	24.00	9	Oregon/1	24.00	
4	Pennsylvania	26.60	1	Pennsylvania	31.80	4	Pennsylvania	26.60	
1	Rhode Island	29.00	2	Rhode Island	29.00	1	Rhode Island	29.00	
44	South Carolina	16.00	42	South Carolina	16.00	43	South Carolina	16.00	
17	South Dakota/1	22.00	19	South Dakota/1	22.00	25	South Dakota/1	20.00	
22	Tennessee/1	21.40	35	Tennessee/1	18.40	21	Tennessee/1	21.40	
26	Texas	20.00	27	Texas	20.00	25	Texas	20.00	
9	Utah	24.75	11	Utah	24.75	7	Utah	24.75	
26	Vermont	20.00	7	Vermont	26.00	25	Vermont	20.00	
40	Virginia/1,6	17.50	42	Virginia/1,6	16.00	40	Virginia/1,6	17.50	
14	Washington	23.00	15	Washington	23.00	14	Washington	23.00	
7	West Virginia	25.35	9	West Virginia	25.35	6	West Virginia	25.35	Y
2	Wisconsin/5	27.30	4	Wisconsin/5	27.30	2	Wisconsin/5	27.30	
48	Wyoming/8	14.00	47	Wyoming/8	14.00	48	Wyoming/8	14.00	
	Federal/7	18.40		Federal/7	24.40		Federal/7	13.10	

Source: Federation of Tax Administrators

Notes:

- 1 Tax rates do not include local option taxes. In AL, 1 to 3 cents; HI, 8 to 11.5 cents; IL, 5 cents in Chicago and 6 cents in Cook county (gasoline only); NV, 1.75 to 7.75 cents; OR, 1 to 3 cents; SD and TN, 1 cent; VA, 2%.
- 2 Local taxes for gasoline and gasohol vary from 5.5 cents to 17 cents (average 13.4). Plus a 2.07 cent per gallon pollution tax.
- 3 Carriers pay an additional surcharge equal to AZ - 8 cents, IL - 6.3 cents(g) 6.0 cents(d), IN - 11 cents, KY - 2%(g) 4.7%(d).
- 4 Tax is based on the average wholesale price and adjusted quarterly. The actual rates are: KY, 9%; and NC, 17.5 cents + 7%.
- 5 Portion of the rate is adjustable based on maintenance costs, sales volume, of cost of fuel to state government.
- 6 Large trucks pay an additional 3.5 cents.
- 7 Tax rate is reduced by the percentage of ethanol used in blending (reported rate assumes the max. 10% ethanol).
- 8 Tax rate scheduled to increase to 16 cents after June 30, 2002.

STATE MOTOR CARRIER FEES AND TAXES

80,000 Pound Vehicle (GVW)

State	Dollars per Mile Miles Operated				State Ranking (50 states) Miles Operated			
	10,000	30,000	50,000	80,000	10,000	30,000	50,000	80,000
Alabama	0.307	0.127	0.091	0.071	22	24	24	26
Alaska	0.288	0.105	0.069	0.048	27	37	44	47
Arizona	0.548	0.213	0.146	0.108	4	2	2	5
Arkansas	0.377	0.161	0.118	0.093	14	15	16	12
California	0.525	0.204	0.140	0.104	5	5	5	6
Colorado	0.486	0.186	0.126	0.092	9	9	11	13
Connecticut	0.725	0.263	0.170	0.118	1	1	1	3
Deleware	0.206	0.094	0.072	0.059	40	41	40	43
Florida	0.242	0.112	0.087	0.072	34	33	30	24
Georgia	0.174	0.078	0.058	0.047	43	47	48	49
Hawaii	0.142	0.083	0.072	0.065	48	44	40	38
Idaho	0.435	0.174	0.122	0.092	11	11	14	13
Illinois	0.416	0.170	0.121	0.094	12	13	15	11
Indiana	0.500	0.205	0.146	0.113	7	4	2	4
Iowa	0.265	0.114	0.084	0.067	32	32	33	34
Kansas	0.338	0.138	0.098	0.076	18	20	21	21
Kentucky	0.395	0.171	0.126	0.100	13	12	11	8
Louisiana	0.144	0.071	0.057	0.048	47	50	49	47
Maine	0.497	0.192	0.131	0.097	8	7	7	9
Maryland	0.241	0.108	0.082	0.067	35	35	35	34
Massachusetts	0.549	0.207	0.139	0.101	3	3	6	7
Michigan	0.310	0.138	0.103	0.084	21	20	18	18
Minnesota	0.302	0.124	0.088	0.068	23	27	29	32
Mississippi	0.512	0.192	0.127	0.091	6	7	9	15
Missouri	0.319	0.126	0.087	0.066	20	25	30	36
Montana	0.220	0.106	0.083	0.070	39	36	34	28
Nebraska	0.139	0.074	0.061	0.054	49	48	46	45
Nevada	0.448	0.181	0.127	0.097	10	10	9	9
New Hampshire	0.174	0.079	0.060	0.049	43	46	47	46
New Jersey	0.226	0.096	0.069	0.055	36	40	44	44
New Mexico	0.118	0.081	0.074	0.070	50	45	39	28
New York	0.288	0.166	0.142	0.128	27	14	4	1
North Carolina	0.285	0.122	0.089	0.071	29	29	26	26
North Dakota	0.298	0.124	0.089	0.069	24	27	26	31
Ohio	0.180	0.089	0.071	0.060	42	43	43	41
Oklahoma	0.170	0.072	0.052	0.041	45	49	50	50
Oregon	0.153	0.131	0.126	0.124	46	23	11	2
Pennsylvania	0.292	0.133	0.101	0.083	26	22	20	19
Rhode Island	0.252	0.116	0.089	0.074	33	31	26	22
South Carolina	0.362	0.139	0.095	0.070	15	19	23	28
South Dakota	0.225	0.101	0.076	0.062	37	39	38	39
Tennessee	0.274	0.111	0.078	0.060	31	34	37	41
Texas	0.285	0.118	0.085	0.066	29	30	32	36
Utah	0.190	0.092	0.072	0.061	41	42	40	40
Vermont	0.225	0.105	0.081	0.068	37	37	36	32
Virginia	0.354	0.140	0.098	0.074	16	18	21	22
Washington	0.294	0.125	0.091	0.072	25	26	24	24
West Virginia	0.339	0.142	0.103	0.081	17	17	18	20
Wisconsin	0.334	0.145	0.107	0.086	19	16	17	17
Wyoming	0.563	0.203	0.131	0.090	2	6	7	16

Source: A Comparison of State Motor Carrier Fees and Taxes, Oregon Dept. of Transportation, December 2001

TIMBER TAXATION

A Brief History

Prior to 1929, all private forestland (8 million acres) and the value of standing timber on the land were subject to property taxation. Between 1929 and 1977, a Forest Fee and Yield tax was allowed for reforestation lands (860,000 acres) in lieu of property taxes. In 1953, a Forest Products Harvest Tax was imposed per thousand board feet on all merchantable harvests from both public and private land (first 25,000bf exempt). In 1961, the Small Tract Option allowed property tax on the productivity value of qualified forestland (200,000 acres) in western Oregon. In 1962 (eastern Oregon) and in 1977 (western Oregon), severance taxes were imposed on the value of timber harvested in lieu of property tax on the value of standing timber (not applicable to forestland under the Small Tract Option). The 1977 legislation returned the reforestation lands to the regular program over roughly 20 years. State collected severance taxes were distributed to local taxing districts.

In 1991, in response to Measure 5 (1990), the severance taxes were converted to privilege taxes with temporary rate reductions. The 1993 Legislature exempted standing timber from property tax, set new statutory forestland values, assessed forestland at 20% of the statutory value, reduced privilege tax rates, and completed the transition for reforestation lands. The privilege taxes were imposed in lieu of property tax on 80% of forestland value. Under Measure 50 (1997), Small Tract Option productivity values were converted to statutory forestland values and maximum assessed values were established for all forestland. See RR #6-00 for more detail.

Current Law

Current law is in transition. The 1999 Legislature phased in a new program for forestland in ownerships of 5,000 or more acres and the 2001 Legislature extended this program to all forestland as of 2003. The new program reduces privilege taxes on timber harvests and increases the assessment ratio as shown in the table below. The assessment ratio is the ratio of actual assessed value to the lesser of specially assessed or maximum assessed value.

Fiscal Year	Assessment Ratio		Calendar Year	Privilege Tax Rates	
				East	West
1999-00	20%		1999	1.8%	3.2%
2000-01	75%		2000	1.1%	1.9%
2001-02	75%		2001	1.1%	1.9%
2002-03	75%		2002	0.8%	1.1%
2003-04	100%		2003	0%	0%

During the phase-in, private forestland in ownerships of less than 5,000 may elect to be taxed under the new program. Otherwise they are taxed under the 1997 law (optional program).

As of 2003-04 all forestland will be assessed at 100% of the lesser of specially assessed or maximum assessed value. Specially assessed values are the real market value of zoned forestland as determined annually by the Department of Revenue. These will apply to all forestland and are subject to new class action appeal procedures. The 2001 Legislature established the per acre limits on forestland value for 2003-04 shown in the table below. Maximum assessed value for 2004-05 and subsequent years allows a 3 percent annual increase in the 2003-04 per acre assessed values of forestland. The per acre values shown in the table will be 2003-04 assessed value per acre unless the specially assessed values to be determined by the Department are lower. These values also apply to designated forestlands, but such lands continue to be subject to penalties if declassified as forestland.

2003-04 Limit on Per Acre Forestland Value	
Site Class by Region	Limit on Assessed Value per acre
<i>Western Oregon</i>	
FA	\$450
FB	\$357
FC	\$299
FD	\$254
FE	\$169
FF	\$122
FG	\$51
FX	\$6
<i>Eastern Oregon</i>	\$51

The complex distribution system for privilege taxes was eliminated and the reserve account distributed. Privilege taxes paid under the new program (during phase-in) go to schools. Those paid under the optional program are divided between schools (65%) and counties (35%). In both cases the school portion is divided between the State School Fund (93%) and the Community College Support Fund (7%). The county portion is distributed as an offset in August following the close of the fiscal year. Thus no estimate of offsets and no reserves are required. No privilege taxes will be imposed after December 31, 2002.

The Small Tract Option for forestland in western Oregon and the Forest Products Harvest Tax continue. Beginning in 2003-04, forestland under the Small Tract Option is taxed under the new program.

The Forest Products Harvest tax rates are shown in the table below. The rates shown for the forest practices act include studies and some other activities funded through the Department of Forestry. The other rate includes \$1.75 (11 months) for salmon reclamation and \$0.15 for assistance to nonindustrial landowners. Rates shown for the Forest Resource Institute in 2002 and 2003 are subject to change by the governing board of the institute. The statutory rate for fire suppression is \$0.50 but the State Forester may suspend this rate if the balance in the Forest Land Protection Fund is estimated to exceed \$15 million for a calendar year or increase the rate if additional funding is required.

FOREST PRODUCTS HARVEST TAX RATES					
<u>Year</u>	<u>Research</u>	<u>Fire Suppression</u>	<u>Forest Practices</u>	<u>Forest Institute</u>	<u>Other</u>
1990-91	\$0.21	\$0.30	\$0.16	-	-
1991-92	0.30	0.50	0.53	\$0.31	-
1992-93	0.30	0.66	0.53	0.31	-
1993.2, 3	0.40	0.66	0.77	0.31	-
1994	0.40	0.66	0.77	0.31	-
1995	0.40	0.66	0.77	0.31	-
1996	0.50	0.50	0.60	0.51	-
1997	0.50	0.50	0.60	0.51	-
1998	0.55	0.50	0.70	0.51	\$1.75
1999	0.55	0.50	0.70	0.79	-
2000	0.67	0.50	1.08	0.79	0.15
2001	0.67	-	1.08	0.79	0.15
2002	0.67	0.50	0.91	0.79	
2003	0.67	0.50	0.91	0.79	

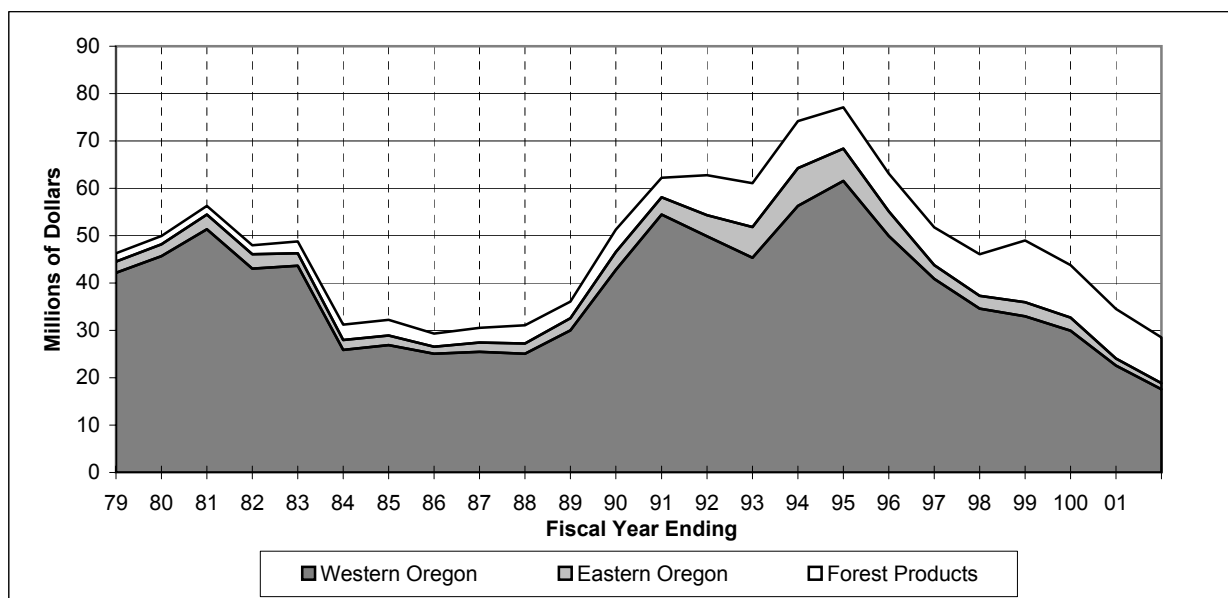
TIMBER TAX COLLECTIONS

(millions of dollars)

Fiscal Year	Privilege Taxes				Forest Products	
	Eastern Oregon		Western Oregon		Harvest Tax	
	Amount	% Change	Amount	% Change	Amount	% Change
1978-79	\$ 2.39		\$ 42.15		\$ 1.75	
1979-80	2.53	6.1%	45.67	8.3%	1.75	0.2%
1980-81	3.10	22.4%	51.36	12.5%	1.81	3.3%
1981-82	3.05	-1.7%	43.04	-16.2%	1.89	4.4%
1982-83	2.64	-13.3%	43.62	1.4%	2.50	31.9%
1983-84	2.15	-18.5%	25.85	-40.8%	3.23	29.2%
1984-85	1.98	-8.2%	26.92	4.1%	3.35	3.8%
1985-86	1.51	-23.8%	25.04	-7.0%	2.79	-16.7%
1986-87	1.97	30.8%	25.49	1.8%	3.11	11.7%
1987-88	2.15	9.2%	25.08	-1.6%	3.87	24.3%
1988-89	2.57	19.4%	30.02	19.7%	3.48	-10.0%
1989-90	3.72	44.9%	42.80	42.6%	4.76	36.8%
1990-91	3.66	-1.7%	54.43	27.2%	4.12	-13.5%
1991-92	4.50	23.0%	49.84	-8.4%	8.41	104.3%
1992-93	6.51	44.6%	45.33	-9.0%	9.26	10.1%
1993-94	7.94	22.0%	56.30	24.2%	9.94	7.3%
1994-95	6.85	-13.7%	61.56	9.3%	8.70	-12.4%
1995-96	5.18	-24.3%	49.93	-18.9%	8.01	-7.9%
1996-97	2.88	-44.4%	40.90	-18.1%	7.96	-0.7%
1997-98	2.71	-6.0%	34.59	-15.4%	8.77	10.1%
1998-99	2.95	9.1%	32.97	-4.7%	13.05	48.8%
1999-00	2.73	-7.6%	29.95	-9.2%	11.11	-14.9%
2000-01	1.50	-45.1%	22.53	-24.8%	10.48	-5.7%
2001-02	1.28	-14.9%	17.60	-21.9%	9.67	-7.7%

Source: Oregon Department of Revenue, Monthly Receipts Statement.

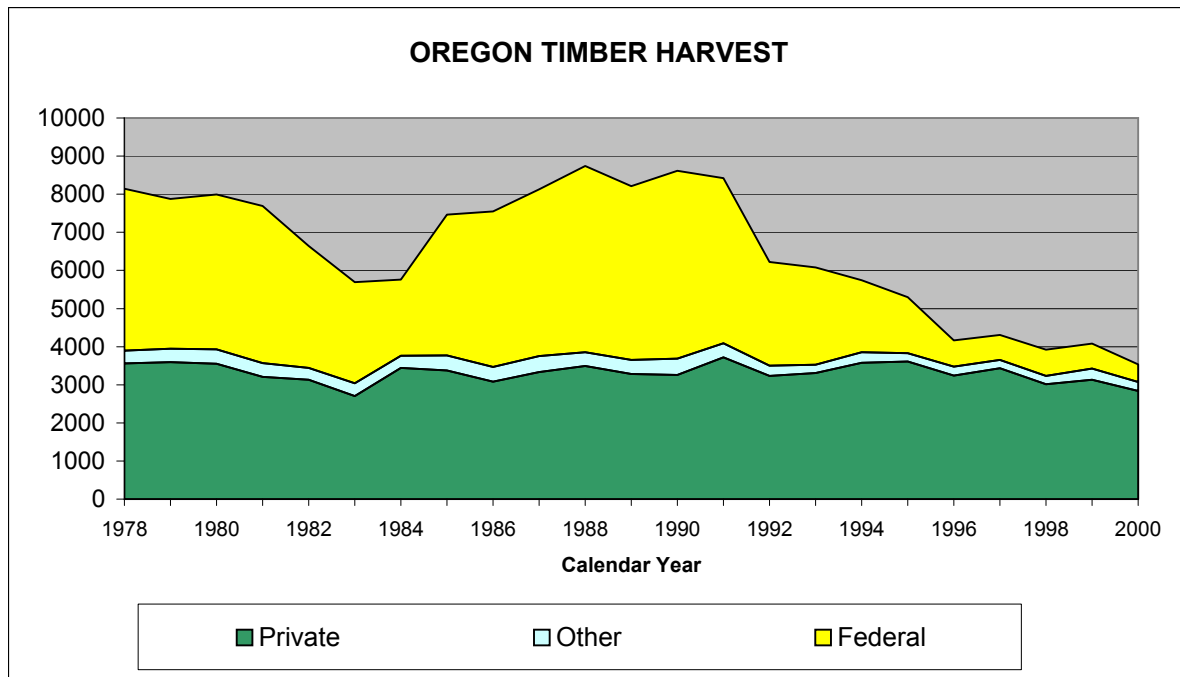
TIMBER TAX COLLECTIONS



OREGON TIMBER HARVEST

Million Board Feet - Scribner Scale

Calendar Year	Private		Federal		Other		Total	
	Volume	% Change	Volume	% Change	Volume	% Change	Volume	% Change
1978	3,561		4,250		336		8,147	
1979	3,590	0.8%	3,934	-7.4%	354	5.4%	7,878	-3.3%
1980	3,550	-1.1%	4,069	3.4%	378	6.8%	7,997	1.5%
1981	3,208	-9.6%	4,123	1.3%	363	-4.0%	7,694	-3.8%
1982	3,134	-2.3%	3,196	-22.5%	310	-14.6%	6,640	-13.7%
1983	2,702	-13.8%	2,658	-16.8%	335	8.1%	5,695	-14.2%
1984	3,440	27.3%	2,000	-24.8%	318	-5.1%	5,758	1.1%
1985	3,373	-1.9%	3,691	84.6%	400	25.8%	7,464	29.6%
1986	3,078	-8.7%	4,084	10.6%	388	-3.0%	7,550	1.2%
1987	3,332	8.3%	4,371	7.0%	423	9.0%	8,126	7.6%
1988	3,494	4.9%	4,892	11.9%	357	-15.6%	8,743	7.6%
1989	3,281	-6.1%	4,566	-6.7%	368	3.1%	8,215	-6.0%
1990	3,259	-0.7%	4,926	7.9%	430	16.8%	8,615	4.9%
1991	3,721	14.2%	4,333	-12.0%	366	-14.9%	8,420	-2.3%
1992	3,229	-13.2%	2,718	-37.3%	272	-25.7%	6,219	-26.1%
1993	3,311	2.5%	2,554	-6.0%	214	-21.3%	6,079	-2.3%
1994	3,581	8.2%	1,886	-26.2%	275	28.5%	5,742	-5.5%
1995	3,609	0.8%	1,463	-22.4%	222	-19.3%	5,294	-7.8%
1996	3,244	-10.1%	688	-53.0%	235	5.9%	4,167	-21.3%
1997	3,432	5.8%	654	-4.9%	218	-7.2%	4,304	3.3%
1998	3,018	-12.1%	690	5.5%	214	-1.8%	3,922	-8.9%
1999	3,133	3.8%	659	-4.5%	290	35.5%	4,082	4.1%
2000	2,840	-9.4%	455	-31.0%	237	-18.3%	3,532	-13.5%

Source: <http://www.odf.state.or.us/rp/AnnualReports/25YearHistory>

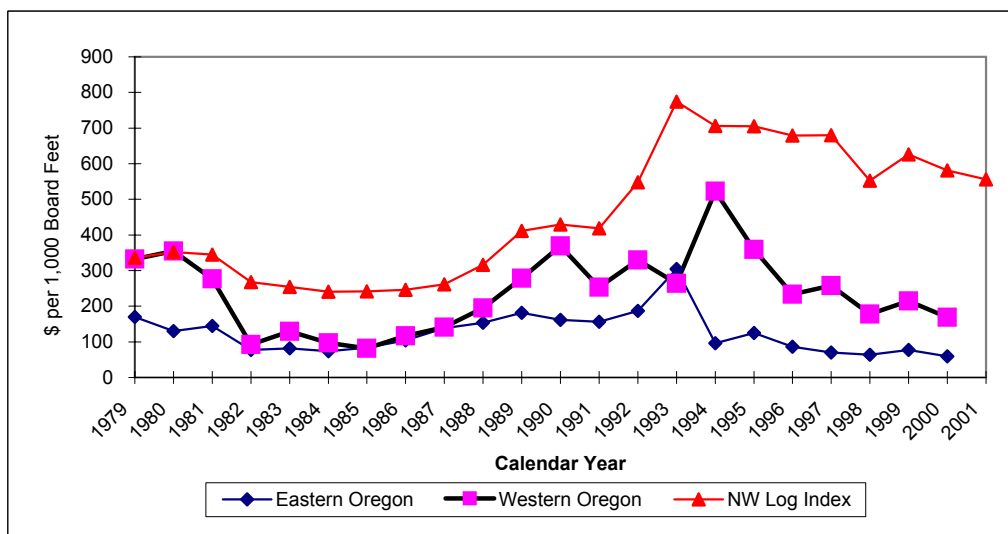
AVERAGE TIMBER PRICES

Per Thousand Board Feet

Calendar Year	U.S. Forest Service Stumpage Prices				NW Log Value Index (#2 Saw)	
	Eastern Oregon		Western Oregon		Price	% Change
	Price	% Change	Price	% Change		
1978	\$ 171.00		\$ 211.00		n.a.	
1979	169.60	-0.8%	332.10	57.4%	336.00	
1980	130.20	-23.2%	354.60	6.8%	352.00	4.8%
1981	144.50	11.0%	276.40	-22.1%	345.00	-2.0%
1982	77.30	-46.5%	92.40	-66.6%	267.50	-22.5%
1983	81.70	5.7%	129.30	39.9%	254.50	-4.9%
1984	73.60	-9.9%	96.70	-25.2%	240.50	-5.5%
1985	83.70	13.7%	81.90	-15.3%	241.50	0.4%
1986	104.40	24.7%	116.50	42.2%	246.50	2.1%
1987	138.50	32.7%	140.80	20.9%	261.50	6.1%
1988	153.51	10.8%	194.75	38.3%	316.50	21.0%
1989	181.05	17.9%	278.36	42.9%	411.50	30.0%
1990	161.81	-10.6%	369.31	32.7%	429.00	4.3%
1991	155.98	-3.6%	253.12	-31.5%	419.00	-2.3%
1992	186.59	19.6%	329.79	30.3%	547.50	30.7%
1993	304.15	63.0%	263.94	-20.0%	774.00	41.4%
1994	96.36	-68.3%	522.47	98.0%	706.25	-8.8%
1995	125.22	30.0%	358.84	-31.3%	705.00	-0.2%
1996	85.90	-31.4%	233.82	-34.8%	678.75	-3.7%
1997	70.47	-18.0%	258.10	10.4%	680.00	0.2%
1998	63.61	-9.7%	177.90	-31.1%	552.50	-18.8%
1999	77.27	21.5%	215.02	20.9%	626.25	13.3%
2000	59.58	-22.9%	168.55	-21.6%	581.25	-7.2%
2001					556.25	-4.3%

Source: USFS, Production, Prices, Employment, and Trade in Northwest Forest Industries.
Oregon DOF, Log Prices, Region 1, Douglas Fir, #2 sawlogs.

AVERAGE TIMBER PRICES



EXCISE TAXES AND OLCC REVENUES

Taxes on Cigarettes and Other Tobacco Products

Excise taxes are imposed on distribution of all tobacco products in Oregon. Taxes are levied on each cigarette and as a percent of wholesale price of other tobacco products, but limited to 50¢ per cigar. With the passage of Measure 20 the permanent tax rate on cigarettes is \$1.18 and the other tobacco products tax rate is 65% of wholesale price. A temporary tax of 10¢ on cigarettes, dedicated to the Oregon Health Plan, was passed in the 1993 Session and continued in 1995, 1997, 1999, and 2001. Cigarette tax is distributed to the General Fund (17.19%), the Health Plan (74.79%), tobacco cessation programs (2.67%), cities (1.78%), counties (1.78%), and to ODOT for senior and disabled transit (1.78%). Distributions to cities and counties are based on population. The Other Tobacco Products tax is distributed to the General Fund (53.85%), the Health Plan (41.54%), and tobacco cessation programs (4.62%).

Additional tobacco revenue is received under the Master Settlement Agreement. Through June 30, 2002, Oregon has received \$257.6 million in payments from manufacturers and expects to receive an additional \$81.4 million by the end of the 2001-03 biennium. The Fifth 2002 Special Session arranged to pledge a portion of these revenues beginning in 2004 for \$150 million in bond proceeds for grants to schools in 2002-03 (see RB #9-02).

CIGARETTE AND OTHER TOBACCO PRODUCTS TAXES

Fiscal Year	Tax Rate (per pack)	Cigarettes		Other Tobacco	
		Millions	Change	Millions	Change
1992-93	28.0¢	78.2	-2.5%	8.0	9.6%
1993-94	32.8¢	96.0	22.8%	8.7	8.8%
1994-95	38.0¢	107.2	11.7%	9.9	13.8%
1995-96	38.0¢	109.2	1.9%	10.8	9.1%
1996-97	50.1¢	141.7	29.8%	12.8	18.5%
1997-98	68.0¢	199.5	40.8%	19.5	52.3%
1998-99	68.0¢	172.0	-13.8%	19.8	1.5%
1999-00	68.0¢	161.8	-5.9%	20.2	2.0%
2000-01	68.0¢	156.7	-3.2%	20.8	3.0%
2001-02	68.0¢	152.6	-2.6%	20.3	-2.4%

Source: Oregon Department of Revenue and DAS's Economic and Revenue Forecast

DISTRIBUTION OF TOBACCO TAXES

Fiscal Year	General Fund	Health Plan	TURA	Special Transit	Local Govt.
1992-93	69.4			5.6	11.2
1993-94	70.9	\$16.8		5.7	11.3
1994-95	72.0	28.2		5.6	11.3
1995-96	74.0	29.0		5.7	11.5
1996-97	102.3	31.8	\$3.5	5.7	11.3
1997-98	74.3	117.1	9.7	5.9	11.9
1998-99	66.6	101.7	8.5	5.0	10.1
1999-00	63.2	96.4	8.1	4.8	9.5
2000-01	51.8	84.4	6.8	4.6	9.1
2001-02	60.3	91.5	7.7	4.5	9.0

Source: Oregon Department of Revenue and DAS's Economic and Revenue Forecast

Oregon Liquor Control Commission Revenue

Taxes are imposed on beer and wine manufactured or distributed in Oregon. The current rates are \$2.60 per 31 gallon barrel of beer (8.4¢ per gallon), 67¢ per gallon of wine with 14% or less alcohol, and 77¢ per gallon of wine with 14% to 21% alcohol. Two cents of the wine tax goes to the Wine Advisory Board, 50% of the remaining beer and wine taxes go to Mental Health and Drug Abuse Prevention, and the balance goes into the OLCC Account. Beverages with 21% or more alcohol are exclusively imported and distributed by the state of Oregon. Currently OLCC sets retail prices at 101%, on average, above cost, shipping, and federal taxes. The net revenue from these operations goes into the OLCC account. Available revenue is distributed 56% to state General Fund, 10% to counties by population, 20% to cities by population, and 14% to cities by formula.

OLCC REVENUE (millions)

Fiscal Year	Beer & Wine Tax	Net Liquor Sales	Net Liquor Revenue
1991-92	\$10.7	\$83.3	\$61.6
1992-93	11.0	85.2	62.2
1993-94	10.6	89.7	65.2
1994-95	10.6	90.1	65.9
1995-96	11.2	93.4	67.7
1996-97	11.8	97.1	70.9
1997-98	12.0	102.4	73.8
1998-99	12.1	107.8	76.5
1999-00	12.4	116.1	84.8
2000-01	12.5	121.7	85.8
2001-02	12.7	127.9	93.0

Source: Oregon Liquor Control Commission

OLCC REVENUE DISTRIBUTIONS (millions)

Fiscal Year	Wine Board	Mental Health	General Fund	Counties	Cities
1991-92	0.1	5.2	36.3	6.5	22.0
1992-93	0.2	5.4	38.0	6.8	23.1
1993-94	0.1	5.2	40.6	7.1	24.1
1994-95	0.1	5.2	41.3	7.4	25.1
1995-96	0.2	5.5	37.3	6.7	22.7
1996-97	0.2	5.8	48.9	8.7	29.7
1997-98	0.2	6.0	45.3	8.1	27.5
1998-99	0.2	5.9	45.7	8.2	27.7
1999-00	0.2	6.0	51.4	9.2	31.2
2000-01	0.2	6.2	52.5	9.4	31.9
2001-02	0.2	6.3	54.8	9.8	33.2

Source: Oregon Liquor Control Commission.

STATE EXCISE TAX RATES AS OF JANUARY 1, 2002 (July 1, 2002 for Cigarettes)
Ranked by Sum of Excise and Sales Tax Rates (Dollars)

Rank	Malt Liquor (Beer) per Gallon			Table Wine (14% alcohol) per Gallon			Cigarettes per Pack		
	State	Excise	Sales	State	Excise	Sales	State	Excise	Sales
1	Hawaii	0.920	0.240	Florida	2.250	1.800	New Jersey	1.500	0.225
2	South Carolina	0.770	0.300	Iowa	1.750	1.500	Washington	1.425	0.244
3	Mississippi	0.430	0.420	New Mexico	1.700	1.500	New York	1.500	0.150
4	Florida	0.480	0.360	Tennessee	1.100	1.800	Rhode Island	1.320	0.263
5	Alabama	0.530	0.240	Alabama	1.700	1.200	Connecticut	1.110	0.225
6	North Carolina	0.530	0.240	Washington	0.870	1.950	Illinois	0.980	0.234
7	Georgia	0.480	0.240	West Virginia	1.000	1.800	Maine	1.000	0.188
8	New Mexico	0.410	0.300	Georgia	1.510	1.200	Maryland	1.000	0.188
9	Oklahoma	0.400	0.270	Rhode Island	0.600	2.100	Hawaii	1.000	0.150
10	Washington	0.261	0.390	Illinois	0.730	1.875	Vermont	0.930	0.188
11	Maine	0.350	0.300	Hawaii	1.360	1.200	California	0.870	0.216
12	Utah	0.350	0.285	Virginia	1.510	1.050	Alaska	1.000	-
13	Texas	0.190	0.375	Arizona	0.840	1.680	Michigan	0.750	0.225
14	Illinois	0.185	0.375	New Jersey	0.700	1.800	Wisconsin	0.770	0.188
15	Louisiana	0.320	0.240	Mississippi	0.350	2.100	Massachusetts	0.760	0.188
16	Michigan	0.200	0.360	Connecticut	0.600	1.800	Kansas	0.700	0.184
17	Connecticut	0.190	0.360	South Carolina	0.900	1.500	Utah	0.695	0.178
18	California	0.200	0.345	Nevada	0.400	1.950	District of Columbia	0.650	0.216
19	West Virginia	0.180	0.360	Michigan	0.510	1.800	Arizona	0.580	0.210
20	Arkansas	0.230	0.308	Arkansas	0.750	1.538	Indiana	0.555	0.188
21	Nebraska	0.230	0.300	Nebraska	0.750	1.500	Ohio	0.550	0.188
22	Rhode Island	0.100	0.420	South Dakota	0.930	1.200	Minnesota	0.480	0.244
23	South Dakota	0.270	0.240	Maine	0.600	1.500	OREGON	0.680	-
24	Arizona	0.160	0.336	Texas	0.200	1.875	Texas	0.410	0.234
25	Iowa	0.190	0.300	Oklahoma	0.720	1.350	North Dakota	0.440	0.188
26	Tennessee	0.130	0.360	Vermont	0.550	1.500	Nevada	0.350	0.244
27	Nevada	0.090	0.390	District of Columbia	0.300	1.725	Florida	0.339	0.225
28	New Jersey	0.120	0.360	North Carolina	0.790	1.200	Iowa	0.360	0.188
29	Ohio	0.180	0.300	Indiana	0.470	1.500	Pennsylvania	0.310	0.225
30	Virginia	0.260	0.210	Idaho	0.450	1.500	Nebraska	0.340	0.188
31	Idaho	0.150	0.300	California	0.200	1.725	New Hampshire	0.520	-
32	Pennsylvania	0.080	0.360	Maryland	0.400	1.500	Arkansas	0.315	0.192
33	District of Columbia	0.090	0.345	Ohio	0.320	1.500	South Dakota	0.330	0.150
34	Indiana	0.120	0.300	Pennsylvania	-	1.800	Idaho	0.280	0.188
35	Maryland	0.090	0.300	Wisconsin	0.250	1.500	Mississippi	0.180	0.263
36	New York	0.135	0.240	Missouri	0.360	1.268	Oklahoma	0.230	0.169
37	Wisconsin	0.060	0.300	Utah	-	1.425	New Mexico	0.210	0.188
38	Alaska	0.350	-	New York	0.190	1.200	West Virginia	0.170	0.225
39	Missouri	0.060	0.254	Louisiana	0.110	1.200	Louisiana	0.240	0.150
40	New Hampshire	0.300	-	Wyoming	-	1.200	Tennessee	0.130	0.225
41	Vermont	0.265	-	Colorado	0.320	0.870	Missouri	0.170	0.158
42	Wyoming	0.020	0.240	Montana	1.060	-	Alabama	0.165	0.150
43	Colorado	0.080	0.174	Delaware	0.970	-	Colorado	0.200	0.109
44	Kansas	0.180	-	Alaska	0.850	-	Georgia	0.120	0.150
45	Delaware	0.160	-	OREGON	0.670	-	Wyoming	0.120	0.150
46	North Dakota	0.160	-	Massachusetts	0.550	-	South Carolina	0.070	0.188
47	Minnesota	0.150	-	Kentucky	0.500	-	Kentucky	0.030	0.225
48	Montana	0.140	-	North Dakota	0.500	-	Delaware	0.240	-
49	Massachusetts	0.110	-	Kansas	0.300	-	North Carolina	0.050	0.150
50	OREGON	0.084	-	Minnesota	0.300	-	Montana	0.180	-
51	Kentucky	0.080	-	New Hampshire	-	-	Virginia	0.025	0.131

Source: Excise tax rates from Federation of Tax Administrators (web).

Sales tax rates assume \$6 per gallon for beer, \$30 a gallon for wine, and \$3 per pack for cigarettes.

LOTTERY

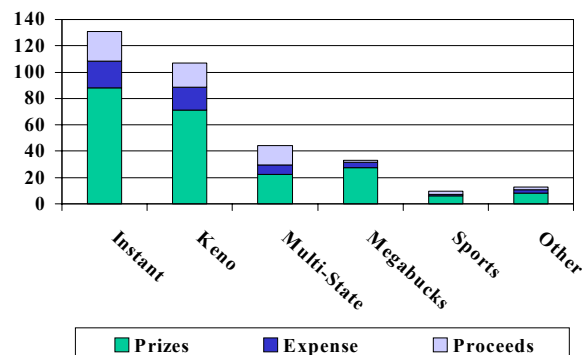
History

The Oregon State Lottery and a five member Oregon State Lottery Commission were created by initiative petition in 1984. Commission members are appointed by the governor and charged to produce the maximum amount of net revenue to benefit the public purpose. The lottery currently offers 8 traditional games through 2,500 retailers, which are open to persons age 18 or older and video lottery (poker) on 9,000 machines through 1,900 licensed premises which is available to persons age 21 or older. The Constitution limits administrative expense to 16% of lottery revenue and requires that at least 50% of revenue be returned in the form of prizes. The Constitution, originally, dedicated the net lottery proceeds to the public purposes of creating jobs and furthering economic development. This was expanded by Measure 21 (May 1995) to include financing public education, by Measure 66 (Nov 1998) to include restoring and protecting Oregon's parks, beaches, watersheds, and critical fish and wildlife habitats. Measure 21 also gave lottery bonds first claim on lottery proceeds and dedicated 15% of net proceeds to the Education Endowment Fund. Measure 66 dedicated 15% of net proceeds to the Parks and Natural Resources Fund with 50% dedicated to parks and recreational areas and 50% dedicated to fish and wildlife habitats. Measure 19 (Sept. 2002) converted the Education Endowment Fund to an Education Stability Fund, transferred \$150 million of the principal to the State School Fund, and increased the lottery dedication to 18%. If the balance in the Stabilization Fund reaches 5% of General Fund revenue, the lottery dedication is reduced to 15% and deposited in a new school capital matching Subaccount.

Traditional Games

The chart at right shows prizes, expense and net proceeds for the 2001-02 traditional games. The other group includes Breakopen, Daily 4 and Pick 4. The initial game in 1985 was Instant (Scratch-it), which was followed by a number of games, some of which have been discontinued or modified. The 1989 Legislature initiated Sports Action as a separate lottery game. Proceeds of this game are transferred to the State Board of Higher Education for intercollegiate athletics.

2001-02 Traditional Lottery Games



Video Lottery

The 1989 Legislature authorized video lottery but the Governor suspended implementation. The 1991 Legislature reauthorized the commission to offer video lottery but otherwise prohibited such games. Video poker began in 1992. The Commission may contract with persons which have

Oregon Liquor Control Commission licenses to install up to 5 video terminals on supervised premises which are restricted to persons age 21 and over. Video lottery revenue is the sum of the dollars put into lottery terminals and the value of games won. Prizes are the sum of the value games won plus amounts returned to the players. Statutes dedicate 2.5% of video net receipts (revenue less prizes) to counties for economic development and, beginning July 1, 2001, not less than 1% to the Problem Gambling Addiction Fund.

Lottery Revenues

Lottery revenues include non-game revenues such as interest earnings, penalties, and allowances for bad debts in addition to game revenues. The table below shows the history of traditional and video lottery game revenues and total lottery revenue since 1990-91. Lottery revenue grew rapidly through 1994-95 with the introduction of video lottery games. During this period, traditional games also grew reaching peak revenue of \$78.1 million in 1994-95. Traditional games added \$34.5 million (15%) to the \$227.7 million increase in 1994-95 revenue over 1990-91 while video lottery added \$193.2 million (85%). Since 1994-95, traditional games have averaged about \$65 million a year and appear to be declining. Video lottery, on the other hand, has averaged about 5.5% growth per year since 1994-95. Total lottery revenue has grown about 3.2% per year since 1994-95.

Fiscal Year	Gross Revenue	Prizes	Adm. Expense	Net Revenue	Gross Revenue	Prizes	Adm. Expense	Net Revenue	Total Lottery*
1990-91	147.3	79.5	24.3	43.6	-	-	-	-	44.3
1991-92	244.1	140.8	37.9	65.5	217.3	192.5	17.5	7.4	74.1
1992-93	258.6	154.5	40.8	63.3	1,548.4	1,376.0	84.7	87.7	152.0
1993-94	288.4	171.6	45.8	71.0	2,211.8	1,964.8	107.6	139.4	212.3
1994-95	340.9	208.2	54.7	78.1	2,983.2	2,652.1	137.9	193.2	274.0
1995-96	344.2	213.7	53.9	76.6	3,285.1	2,929.5	149.8	205.9	286.2
1996-97	333.1	207.6	52.6	72.8	3,636.7	3,243.5	168.7	224.5	301.2
1997-98	310.4	195.1	50.6	64.8	4,245.2	3,837.8	179.0	228.5	297.7
1998-99	325.9	206.0	49.0	70.9	5,660.1	5,257.5	172.0	230.5	306.2
1999-00	323.7	210.5	56.6	56.6	6,566.3	6,129.8	183.4	253.2	315.1
2000-01	323.3	211.9	56.8	54.5	7,293.4	6,831.0	194.7	267.7	330.8
2001-02	336.9	223.3	57.5	56.1	7,725.0	7,244.8	199.8	280.4	340.7

* Total includes other revenue not shown separately.

Lottery Transfers

Fiscal year lottery revenues cannot be mapped into lottery transfers because there is a one-quarter lag in transfers from the previous quarter's revenues. There are also revenues such as unclaimed prizes and administrative savings, which are not considered in determining net lottery revenue. Transfers may also differ from revenues because of amounts moved into or out of various contingency reserves.

The table below shows the amounts transferred during the last four biennium. Debt service on lottery revenue bonds has first claim on lottery revenue transferred to the Economic Development Fund. Thereafter the exact pecking order is not clear, but the Constitutional dedications for the Education Stability Fund and the Parks and Natural Resources Fund probably follow. Then the statutory dedications to county economic development, to the Board of Education, and to the Gambling Addiction Fund; with any balance available for legislative allocation. Amounts available for legislative allocation do not include beginning balances, reversions, or interest earned on the

Economic Development Fund. The table below shows the distribution of lottery transfers and the amounts forecast for the 1991-01 Biennium.

Distribution of Lottery Transfers

Biennium	Revenue Bonds	Education Stability	Parks & Recreation	Counties	Sports Action	Gambling Addiction	Leg. Approp.
1985-87							59.6
1987-89							106.6
1989-91							92.5
1991-93	**			7.7	3.3		176.7
1993-95	20.0			19.0	4.6		403.3
1995-97	20.0			18.4	5.3		532.8
1997-99	21.7	91.2		20.1	3.9		471.1
1999-01	26.8	87.1	87.1	22.2	4.8	5.8	362.0
2001-03*	76.8	106.5	106.5	24.0	4.6	5.9	401.9

*Revenue Forecast, September 2002, Department of Administrative Services.

RECENT TAX VOTES

Year	Tax Change	Election	Proposed by	Outcome	Yes	No
1973	McCall Plan	May 1	Leg. referral	Failed	253,682	358,210
1974	New school tax bases	Primary	Leg. referral	Failed	166,363	371,897
	Higher income taxes for schools	Primary	Leg. referral	Failed	136,851	410,733
	Use Highway Fund for mass transit	Primary	Leg. referral	Failed	190,899	369,038
	Include revenue sharing in tax base	General	Leg. referral	Failed	322,023	329,858
1976	Allow local vehicle tax for transit	Primary	Leg. referral	Failed	170,331	531,219
	1¢ gas tax & 26% truck tax increase	General	Pet. referral	Failed	465,143	505,124
1977	School "safety net"	May 17	Leg. referral	Failed	112,570	252,061
1978	2¢ gas tax increase	Primary	Leg. referral	Failed	190,301	365,170
	1.5% property tax limit	General	Initiative	Failed	424,029	453,741
	50% home property tax relief	General	Leg. referral	Failed	383,532	467,765
	Vehicle registration fee increase	General	Pet. referral	Failed	208,722	673,802
1980	Continue 30% home property relief	Primary	Leg. referral	Passed	636,565	64,979
	Limits use of Highway Fund	Primary	Leg. referral	Passed	451,695	257,230
	1% property tax limit	General	Initiative	Failed	412,781	722,089
	2¢ gas tax increase	General	Leg. referral	Failed	320,613	823,025
	Dedicates oil taxes to schools	General	Leg. referral	Passed	604,188	494,657
1982	3¢ gas tax increase	Primary	Leg. referral	Failed	308,574	323,268
	1.5% property tax limit	General	Initiative	Failed	504,836	515,626
	Increase tax base for new const.	General	Leg. referral	Failed	219,034	768,150
1984	Vehicle registration fee increase	Primary	Leg. referral	Failed	234,060	487,457
	1.5% property tax limit	General	Initiative	Failed	599,424	616,252
	Establish state lottery	General	Initiative	Passed	794,441	412,341
	Lottery statute	General	Initiative	Passed	786,933	399,231
1985	5% sales tax	Sept. 17	Leg. referral	Failed	189,733	664,365
1986	Prohibit tax on social security	Primary	Leg. referral	Passed	534,476	118,766
	Adjust tax bases for merger	Primary	Leg. referral	Passed	333,277	230,866
	5% sales tax	General	Initiative	Failed	234,804	816,369
	1.5% property tax limit	General	Initiative	Failed	449,548	584,396
	Homestead exemption	General	Initiative	Failed	381,727	639,034
	Increase income taxes	General	Initiative	Failed	299,551	720,034
1987	School "safety net"	May 19	Leg. referral	Passed	223,417	178,839
1988	1¢ cig. & beer tax for sports	General	Initiative	Failed	449,797	759,360
1989	New school tax bases	May 16	Leg. referral	Failed	183,818	263,283
1990	Change Oregon school finances	Primary	Leg. referral	Advisory	462,090	140,747
	Funded school taxes on homes	Primary	Leg. referral	Advisory	177,964	408,842
	4% sales tax for schools	Primary	Leg. referral	Advisory	128,642	449,725
	5% sales tax for schools	Primary	Leg. referral	Advisory	202,367	385,820
	Combines tax bases: school mergers	Primary	Leg. referral	Advisory	222,611	374,466
	Taxes public pensions	General	Leg. referral	Passed	680,463	354,288
	1.5% property tax limit (M5)	General	Leg. referral	Failed	406,372	617,586
	Tax credit for private education	General	Initiative	Passed	574,833	522,022
		General	Initiative	Failed	351,977	741,863
1992	Gas tax for highway police	Primary	Leg. referral	Failed	244,173	451,715
	Gas tax for parks	General	Leg. referral	Failed	399,259	1,039,322
	Split-roll property tax limit	General	Initiative	Failed	362,621	1,077,206
1993	5% Sales Tax for Education	Nov 9	Leg. referral	Failed	240,991	721,930

RECENT TAX VOTES

Year	Tax Change	Election	Proposed by	Outcome	Yes	No
1994	Gas tax to prevent contamination	Primary	Leg. referral	Failed	158,029	446,665
	Vote on tax or fee increases	General	Initiative	Failed	543,302	671,025
	Minimum funding for schools (Kids First)	General	Initiative	Failed	438,018	760,853
	2% Equal Tax	General	Initiative	Failed	284,195	898,416
1995	Lottery revenue for education	May 16	Leg. referral	Passed	671,027	99,728
1996	3/5 vote to raise revenue	Primary	Leg. referral	Passed	349,918	289,930
	State pays for local mandates	General	Leg. referral	Passed	731,127	566,168
	Tobacco taxes for Health Plan	General	Initiative	Passed	759,048	598,543
	Counts non-voters as "no" votes	General	Initiative	Failed	158,555	1,180,148
	Cut and Cap property tax limit (M47)	General	Initiative	Passed	704,554	642,613
1997	Replace cut and cap (M50)	May 20	Leg. referral	Passed	429,943	341,781
1998	Authorize Lottery-backed school bonds (M54)	General	Leg. referral	Passed	569,982	474,727
	Dedicate 15% of Lottery to parks & salmon (M66)	General	Initiative	Passed	742,038	362,247
1999	Vehicle cost responsibility (M76)	Special	Leg. referral	Passed	372,613	314,351
2000	Transportation funding (M82)	Primary	Leg. referral	Failed	109,741	767,329
	Highway fund for State Police (M80)	Primary	Leg. referral	Failed	310,640	559,941
	Kicker Refunds in Constitution (M86)	General	Leg. referral	Passed	898,793	550,304
	Increases federal tax subtraction to \$5,000 (M88)	General	Leg. referral	Passed	739,270	724,097
	Full deduction for federal taxes (M91)	General	Initiative	Failed	661,342	814,885
	Voter approval for taxes and fees (M93)	General	Initiative	Failed	581,186	865,091
	Funding of school equity goals (M1)	General	Initiative	Passed	940,223	477,461
	Property value reduced by regulation (M7)	General	Initiative	Passed	Court Ruled Unconstitutional	
	State growth limit (M8)	General	Initiative	Failed	608,090	789,699
2002	Establishes Ed. Stability Fund and Transfers \$220 million (M13)	May 21	Leg. referral	Failed	376,605	411,923
	General Obligation Bond Financing for OHSU Research (M11)	May 21	Leg. referral	Passed	589,869	190,226
	Establishes Ed. Stability Fund and Transfers \$150 million (M19)	Sept. 17	Leg. referral	Passed	496,815	306,440
	Increases Cigarette Tax (M20)	Sept. 17	Leg. referral	Passed	522,613	289,119
	General Obligation Bond Financing for Ed. Buildings (M15)	General	Leg. referral	Passed	624,789	505,797
	General Obligation Bond Financing for Emergency Buildings (M16)	General	Leg. referral	Passed	622,914	501,210
	Allows Different Permanent Property Tax Rates Within Tax Zones (M18)	General	Leg. referral	Failed	420,135	662,084
	Tax Funded Universal Health Care (M23)	General	Initiative	Failed	254,280	936,753

OTHER REPORTS AVAILABLE

This section lists some other reports prepared by the Legislative Revenue Office that you may find useful. The research report number follows each title in parentheses. The second part of each number indicates the year the report was written.

GENERAL

SUMMARY OF LEGISLATIVE SESSIONS AND COMMITTEE REPORTS

- "Review of Special Session 5 Revenue Actions: Ballot Measure 28" (Report #10-02)
- "2002 Special Session III Revenue Package" (Brief #8-02)
- "2002 Special Session II Revenue Package" (Brief #7-02)
- "February 8-10 Special Session Revenue Package" (Brief #4-02)
- "Interim Senate Revenue Options Committee Report" (Report #1-02)
- "Revenue Measures Passed by the 2001 Legislative Session" (Report #4-01)
- "Revenue Measures Passed by the 1999 Legislative Session" (Report #3-99)
- "Revenue Measures Passed by the 1997 Legislative Session" (Report #5-97)

ALL TAXES

- "Oregon Tax Incidence Model (OTIM)" (Report #2-01)
- "Oregon's 2% Surplus Kicker: 2001 Update" (Brief #5-01)
- "Oregon Public Finance: Basic Facts" (Report #1-01)
- "Measure 93: Taxpayer Protection Initiative" (Report #9-00)
- "Measure 8: State Spending Limit" (Report #8-00)
- "Basic Tax Packet 1999" (Report #1-99)
- "Oregon's Tax Shift" (Report #4-98)
- "Oregon's 2% Surplus Kicker" (Report #3-98)
- "Oregon Tax Reform: Some Basic Numbers" (Report #1-98)
- "Oregon's State Spending Limit and 2% Surplus Kicker" (Report #1-96)
- "Oregon Tax Expenditures" (Report #6-94)
- "How High are Oregon Taxes?" (Report #3-94)
- "The Effect of Measure 20, 2% Equal Tax" (Report #2-94)

PROPERTY TAX

- "Oregon's Senior Population Growth and Property Tax Relief Programs" (Report #7-01)
- "The Urban Renewal Program Under the Past and Current Property Tax Systems" (Report #1-00)
- "The New Direction of the Oregon Property Tax System Under Measure 50" (Report #9-99)
- "The Effect of Measure 47 and Measure 50 on Taxpayers and Taxing Districts" (Report #3-97)
- "The Effect of Measure 47, Cuts and Caps Property Taxes" (Report #3-96)
- "The Effect of Measure 5, Requires Vote on Taxes and Charges" (Report #5-94)
- "Impact of Measure 7: Split-Roll Property Tax Limit" (Report #1-92)
- "Implementation of Measure 5: HB 2550 - Final" (Report #5-91)
- "Impact of Measure 5: 1.5% Property Tax Limit" (Report #3-90)

INCOME TAX

- "Ballot Measure 23, Health Care Finance Plan" (Brief #3-01)
- "Oregon Income Tax Reconnect and "The Job Creation and Worker Assistance Act of 2002" (Brief #3-02 updated)
- "Oregon Income Tax Reconnect" (Brief #3-02)

"Revenue Impact of H.R. 1836: The Economic Growth and Tax Relief Reconciliation Act of 2001" (Brief #3-01)
"Initiative Petition 10: Full Deductibility for Federal Income Taxes" (Measure 91) (Report #4-00)
"Status of Pension Taxation" (Report #5-98)
"Status of the PERS Taxation Issue" (Report #2-97)
"Recommendations of the Joint Task Force on Retirement Income Equity" (Report #2-91)
"Taxes on Corporate Income" (Report #4-90)
"Taxation of Retirement Income" (Report #2-90)

SCHOOL FINANCE

"Education Stability Fund" (Brief #6-02)
"Impact of Changing the School Payment Schedule" (Brief #2-02)
"K-12 and ESD School Finance, State School Fund Distribution" (Report #8-01)
"2001 School Finance Legislation Funding and Distribution" (Report #3-01)
"Federal Forest Revenue for Schools" (Brief #11-00)
"Local School Revenue Estimate" (Brief #5-00)
"School Local Property Tax Option, 1999 Legislation" (Report #5-99)
"1999 State School Finance Legislation, Funding and Distribution" (Report #4-99)
"K-12 School Finance: State School Fund Distribution" (Report #2-99)
"1997 School Finance Legislation: Funding and Distribution" (Report #2-98)
"Senate Finance Committee: Report on School Finance" (Report #5-96)
"The Current State and School Finance Revenue Picture" (Report #2-96)
"The State School Fund: Funding and Distribution for 1995-97" (Report #3-95)
"The State School Fund: Oregon's New School Finance" (Report #2-95)
"The Effect of Measure 15, The 'KID's First' Initiative" (Report #4-94)
"The Current State & School Revenue Picture" (Report #1-94)
"Report of the School Finance Formula Subcommittee" (Report #2-92)
"Impact of Measure 11: Education Tax Credits" (Report #5-90)

TRANSPORTATION TAXES

"Measure 82: Frequently Asked Questions" (Brief #3-00)
"Measure 82: Referendum on the Effect of Transportation Funding" (Report #2-00)
"Summary of Work on Heavy Vehicle Taxes" (Report #1-97)
"Oregon Cost Responsibility: Studies Compared to Other States" (Report #4-96)
"Oregon Highway Revenue: An Introduction" (Report #4-95)

TIMBER TAXES

"Federal Forest Revenue for Schools" (Report #11-00)
"Revenues From Timber in Oregon" (Report #7-00)
"History of Timber Taxation" (Report #6-00)
"Report of the Subcommittee on Timber Taxation" (Report #2-93)
"Revenue From Timber in Oregon" (Report #9-91)
"History of Timber Taxes" (Report #8-91)

MISCELLANEOUS

"Master Settlement Agreement (Financial Provisions)" (Brief #9-02)
"Oregon's Inheritance Tax" (Brief #9-01)
"Taxation of Pensions in Oregon: 2001 Update" (Brief #6-01)
"Oregon's Workers' Compensation Insurance Market" (Report #10-00)
"Impact of Measure 1, Sales Tax for Schools" (Report #3-93)