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LRO Report Says IP 28 Will Result in Over 20,000 Lost Oregon Jobs, Higher Prices
Regressive Tax Would Have Devastating Effect on Oregon's Economy

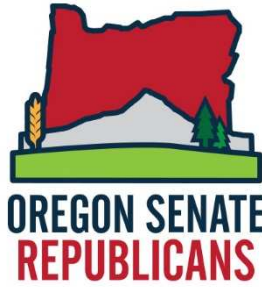
Salem, Ore. - Today, the Oregon Senate Interim Committee on Finance and Revenue heard a report on the potential effects of Initiative Petition 28, a ballot measure to implement a 2.5 percent gross receipts tax on sales of consumer items in Oregon. The nonpartisan Legislative Revenue Office estimates that it will be a highly regressive \$6.1 billion tax increase that will cost middle class families \$500 to \$868 per year and eliminate 20,400 jobs. This is the first in-depth report lawmakers have received on the likely outcome of the passage of IP 28 in November. Supporters of the measure submitted what is expected to be a sufficient number of qualifying signatures last week.

"The special interest groups driving IP 28 claim to care about education funding," said Senate Republican Leader Ted Ferrioli (R-John Day), "but this tax on sales could have a devastating effect on Oregon's economy, resulting in 20,400 jobs lost and a steep increase in consumer prices that will cost middle class families as much as \$868 per year. By taxing Oregon sales at every step, from the manufacturer to the wholesaler to the retailer, Oregon families could see prices on necessities like medicine, groceries and electricity rise by as much as 7.5 percent. Low-income and rural families and seniors living on fixed incomes will be hurt the most. This is not the solution to funding education in Oregon."

Our Oregon, the special interest group sponsoring the initiative, claims the estimated \$6.1 billion in biannual revenue will fund K-12 education in Oregon, though the legislature will not

be legally bound to allocate new revenue to education. Currently, Democrats in Salem are only allocating 10% of the total budget to education.

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