

Joint Committee on Tax Reform Simulation 4M

(effective 1-1-2018):

5/16/2017

1. Eliminate Corporation Income Tax
2. Create a Commercial Activities Tax (\$250 + 0.48% of sales > \$1 million)
3. Change PIT rates from 5/7/9/9.9 to 4.5/6.5/8.5/9.9

2018 Levels				
	Baseline	New Equilibrium	Change From Baseline	Percent Change
Private Sector				
Nominal Personal Income (\$M)	\$197,714	\$197,805	+\$91	+0.05%
Nominal per capita Personal Income (\$M)	\$47,075	\$47,045	-\$30	-0.06%
Employment (Thousand)	2,590.7	2,598.8	+8.0	+0.31%
Population (M)	4.200	4.205	+0.005	+0.11%
Investment (\$M)	\$16,477.31	\$16,521.30	+\$44	+0.27%
Wage Index	100.0	99.63	-0.37	-0.37%
Return to Capital	100.0	100.07	+0.07	+0.07%
Price Levels	100.0	100.16	+0.16	+0.16%
Public Sector				
State Spending (\$M)	\$27,966	\$28,307	+\$341	+1.22%
GF Revenue (\$M)	\$8,759.52	\$9,097.62	+\$338	+3.86%
OF Revenue (\$M)	\$19,206.36	\$19,209.57	+\$3	+0.02%
Local Govt Revenue (\$M)	\$17,002.88	\$17,020.75	+\$18	+0.11%
Federal Tax Paid by Oregonians (\$M)	\$35,913.27	\$36,026.57	+\$113	+0.32%

Static Revenue Impact (\$ Millions)	+\$341
Dynamic Revenue Impact (\$ Millions)	+\$18
Net Revenue Impact (\$ Millions)	+\$359
General Fund Change (\$ Millions)	+\$338
Other Funds Change (\$ Millions)	+\$3
Local Revenue Change (\$ Millions)	+\$18

Total Real Disposable Household Income

	Baseline (\$M)	New Equilibrium (\$M)	Difference (\$M)	% Difference	Change in Number of Hholds	Mean Income Change per HH (\$)
Above \$205,869	\$35,666	\$35,614	-\$52.2	-0.1%	-100	-\$185
\$137,246 - \$205,869	\$31,411	\$31,351	-\$60.3	-0.2%	-57	-\$288
\$102,934 - \$137,246	\$24,463	\$24,447	-\$16.0	-0.1%	132	-\$167
\$68,623 - \$102,934	\$29,974	\$29,949	-\$24.7	-0.1%	288	-\$161
\$48,036 - \$68,623	\$19,776	\$19,778	+\$2.5	0.0%	527	-\$136
\$34,311 - \$48,036	\$13,383	\$13,396	+\$13.8	0.1%	630	-\$135
\$20,587 - \$34,311	\$11,714	\$11,721	+\$7.1	0.1%	568	-\$120
Less than \$20,587	\$9,867	\$9,841	-\$25.7	-0.3%	-21	-\$108
TOTAL	\$176,253	\$176,097	-\$155.5	-0.1%	1,966	

Change in Total Real Disposable Household Income (\$M)

