

Joint Committee on Tax Reform Simulation 12

(effective 1-1-2018):

5/29/2017

1. Eliminate Corporation Income Tax
2. Create a Commercial Activities Tax (\$250 + 0.48%/.75%/.25%/.35% of sales > \$3 million)
3. Include 43% CAT credit for PTEs
4. Change PIT rates from 5/7/9/9.9 to 4.5/6.5/8.75/9.9
5. Repeal preferential tax rates for PTEs

2018 Levels				
	Baseline	New Equilibrium	Change From Baseline	Percent Change
Private Sector				
Nominal Personal Income (\$M)	\$197,714	\$197,728	+\$14	+0.01%
Nominal per capita Personal Income (\$M)	\$47,075	\$47,047	-\$27	-0.06%
Employment (Thousand)	2,590.7	2,595.7	+5.0	+0.19%
Population (M)	4.200	4.203	+0.003	+0.07%
Investment (\$M)	\$16,477.31	\$16,518.49	+\$41	+0.25%
Wage Index	100.0	99.70	-0.30	-0.30%
Return to Capital	100.0	100.06	+0.06	+0.06%
Price Levels	100.0	100.11	+0.11	+0.11%
Public Sector				
State Spending (\$M)	\$27,966	\$28,255	+\$289	+1.03%
GF Revenue (\$M)	\$8,759.52	\$9,048.21	+\$289	+3.30%
OF Revenue (\$M)	\$19,206.36	\$19,206.35	-\$0	-0.00%
Local Govt Revenue (\$M)	\$17,002.88	\$17,020.28	+\$17	+0.10%
Federal Tax Paid by Oregonians (\$M)	\$35,913.27	\$35,940.07	+\$27	+0.07%

Static Revenue Impact (\$ Millions)	+\$293
Dynamic Revenue Impact (\$ Millions)	+\$13
Net Revenue Impact (\$ Millions)	+\$306
General Fund Change (\$ Millions)	+\$289
Other Funds Change (\$ Millions)	-\$0
Local Revenue Change (\$ Millions)	+\$17

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	\$35,526	-\$139.9	-0.4%	-119	-\$1,030
\$137,246 - \$205,869	\$31,411	\$31,337	-\$73.6	-0.2%	-89	-\$335
\$102,934 - \$137,246	\$24,463	\$24,424	-\$39.0	-0.2%	24	-\$221
\$68,623 - \$102,934	\$29,974	\$29,927	-\$46.4	-0.2%	123	-\$183
\$48,036 - \$68,623	\$19,776	\$19,762	-\$14.0	-0.1%	322	-\$144
\$34,311 - \$48,036	\$13,383	\$13,386	+\$3.2	0.0%	447	-\$130
\$20,587 - \$34,311	\$11,714	\$11,718	+\$3.7	0.0%	460	-\$107
Less than \$20,587	\$9,867	\$9,847	-\$20.3	-0.2%	3	-\$89
TOTAL	\$176,253	\$175,927	-\$326.3	-0.2%	1,172	

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

