

# Joint Committee on Tax Reform Simulation 12L

(effective 1-1-2018):

5/31/2017

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
<b>Private Sector</b>				
Nominal Personal Income (\$M)	\$197,714	\$198,430	+\$716	+0.36%
Nominal per capita Personal Income (\$M)	\$47,075	\$47,185	+\$110	+0.23%
Employment (Thousand)	2,590.7	2,598.3	+7.5	+0.29%
Population (M)	4.200	4.205	+0.005	+0.13%
Investment (\$M)	\$16,477.31	\$16,566.38	+\$89	+0.54%
Wage Index	100.0	100.11	+0.11	+0.11%
Return to Capital	100.0	100.15	+0.15	+0.15%
Price Levels	100.0	100.15	+0.15	+0.15%
<b>Public Sector</b>				
State Spending (\$M)	\$27,966	\$28,325	+\$359	+1.28%
GF Revenue (\$M)	\$8,759.52	\$9,097.20	+\$338	+3.85%
OF Revenue (\$M)	\$19,206.36	\$19,227.88	+\$22	+0.11%
Local Govt Revenue (\$M)	\$17,002.88	\$17,047.11	+\$44	+0.26%
Federal Tax Paid by Oregonians (\$M)	\$35,913.27	\$36,170.54	+\$257	+0.72%

Static Revenue Impact (\$ Millions)	+\$293
Dynamic Revenue Impact (\$ Millions)	+\$111
Net Revenue Impact (\$ Millions)	+\$403
General Fund Change (\$ Millions)	+\$338
Other Funds Change (\$ Millions)	+\$22
Local Revenue Change (\$ Millions)	+\$44

## 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	\$35,658	-\$7.8	0.0%	5	-\$100
\$137,246 - \$205,869	\$31,411	\$31,453	+\$42.5	0.1%	120	\$129
\$102,934 - \$137,246	\$24,463	\$24,507	+\$44.7	0.2%	224	\$95
\$68,623 - \$102,934	\$29,974	\$30,025	+\$50.7	0.2%	434	\$39
\$48,036 - \$68,623	\$19,776	\$19,809	+\$33.1	0.2%	506	-\$12
\$34,311 - \$48,036	\$13,383	\$13,405	+\$22.0	0.2%	501	-\$51
\$20,587 - \$34,311	\$11,714	\$11,728	+\$14.0	0.1%	485	-\$62
Less than \$20,587	\$9,867	\$9,850	-\$17.0	-0.2%	4	-\$75
<b>TOTAL</b>	<b>\$176,253</b>	<b>\$176,435</b>	<b>+\$182.2</b>	<b>0.1%</b>	<b>2,280</b>	

