



## UNIFIED BUSINESS OPPOSES SJR 23

**Background:** In 1980, Oregonians overwhelmingly approved the Kicker Tax Rebate as a mechanism to put spending controls on state government. When lawmakers swept the Personal Kicker in the 1990's, Oregonians voted to enshrine the Kicker in the state's constitution in 2000. Though Oregonians supported directing the Corporate Kicker to pay for schools in 2012, they strongly oppose lawmakers keeping the Personal Kicker.

**Polling:** A recent poll of 950 likely Oregon voters commissioned by Unified Business Oregon found that **72.9% of Oregonians support Oregon's Kicker Tax Rebate** (Feb. 15-16, 2019). The poll respondents included an oversampling of Democratic voters (43%) and female voters (53%). When asked if Oregonians would support lawmakers keeping the Kicker to pay shore up the state's budget deficit, **an overwhelming 68.6% of Oregonians would not be in support of using the Kicker Tax Rebate to balance the budget.** Lastly, when asked if Oregonians would support a referendum to overturn the Legislature's decision to suspend the Kicker, **57.6% of Oregonians said they would support overturning the Legislature via the referendum process.**

**Address Cost Reforms:** The Kicker Tax Rebate is the only real brake on government spending upon which taxpayers can rely. Multiple news outlets have reported in the last few years the costs driving revenue needs of state and local government are PERS increase and skyrocketing public employee healthcare costs. We understand PERS changes must be prospective. Unfortunately, measures to make substantive prospective changes have not yet received any public hearings.

The Eugene Register Guard has reported how Oregon pays more for public employee healthcare costs than any other state in the Western Region. Plans to move public employees into Coordinated Care Organizations or onto the Healthcare Exchange as a way to bring down costs have fallen by the wayside. UBO would like to recommend that before we break faith with voters and make false promises that Kicker dollars will reach the classroom, we address systemic cost drivers. Kicker revenues are a one-time fix. In a down economy, historically the Kicker has not kicked. However, in a down economy, these cost driver issues will remain if the Legislature doesn't focus its attention on real reforms to make our budget permanently sustainable.

**Business Impact:** Over 400,000 businesses file their business income taxes on their personal tax return. The Legislature disconnected these same businesses in 2018 from the federal tax code, causing a billion-dollar tax liability over three biennia. Small businesses also just had their healthcare taxes raised in HB 2010. And the 2013 small business tax rate change is under attack again this session. The Kicker Tax Rebate is a mechanism all personal income business tax filers have to bring down their effective tax rate relative to C-Corps.

For these reasons, we urge you to stand strong with Oregon small businesses and a majority of Oregonians who are opposed to the Legislature's attempts to repeal or otherwise suspend the Personal Kicker Tax Rebate to pay for budget mismanagement.

Sincerely,

A handwritten signature in black ink, appearing to read "Lou Ogden", written in a cursive style.

Lou Ogden  
Executive Director

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