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Tax debate on Oregon Measures 66, 67 heats up

By Harry Esteve, The Oregonian

January 08, 2010, 8:57PM



Pat McCormick

Things got pointed and personal Friday during a debate on the tax increase measures Oregon voters will decide over the coming weeks.

Pat McCormick, a Portland lobbyist working against the two measures, accused supporters of portraying the opposition as "filthy rich" people and Wall Street high-fliers, when many are modest small-business owners who care deeply about public schools.

"Isn't your campaign about class warfare?" McCormick asked Steve Novick, a Portland political activist who is working for the proponents of Ballot Measures 66 and 67.

"Some of my best friends are rich," Novick responded. "And some of them are quite clean."

Earlier, Novick had zeroed in on McCormick, castigating him for putting out "deceptive" campaign ads that only increase public cynicism about state government. He noted that McCormick's lobby firm, Conkling Fiskum & McCormick, once "bewailed" on its Web site that voter rejection of tax increases six years ago would cause schools to close early and hurt services for the most vulnerable.

"If these measures are defeated, I know at least one person who will be responsible for early school closures and the shredding of our social safety net," Novick said. "His name is Pat McCormick."

After the debate, which was hosted by the City Club of Portland, McCormick said Novick

"really likes to go after the individual." But he added, "That's fair game."

Novick said he wanted to point out that while McCormick and other opponents of the tax increases say they're committed to good schools and state services, "they don't show it."

Ballots for the Jan. 26 election are due to hit mailboxes as soon as today. At stake are two tax increases -- one targeting individual high-income earners, the other aimed at corporations -- that would raise \$727 million over two years. The Oregon Legislature approved the higher taxes and budgeted the money for the 2009-11 state budget. A coalition of business owners gathered signatures to force a statewide vote on the increases.

Supporters say the higher taxes affect only a small fraction of individual taxpayers and that most in-state corporations would see only a small increase in their income tax bills. They say the money is needed to avert painful cuts to school budgets, elderly care, prisons and other state services.

Opponents say the tax increases would force business owners to lay off employees, exacerbating the state's bad economy. They say the increases are unnecessary because state government has enough money on hand to pay for

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Steve Novick

essential services.

In Friday's debate, Novick and McCormick hammered on those themes. At one point, Novick dumped 17 bags of M&M's on the floor, then flung a single candy at McCormick. He said it represents the relative size of the tax increases facing profitable corporations.

66 and 67, including a calculator to show if you would pay more, click [here](#).

He questioned why McCormick would say it's wrong to raise taxes in the middle of a recession while supporting the Legislature's decision to increase gas taxes. McCormick responded that the higher gas taxes and vehicle fees will provide construction jobs and aid businesses with better highways.

"There are jobs in education, in health care and in public safety," Novick said. "Transportation jobs aren't the only jobs in the public sector."

Pressed for solutions, McCormick said Oregon business leaders were ready to support a package of temporary tax increases that were spread across a broader base. He also said business would support a reform of the state's kicker law that would put surplus tax revenues into a rainy day fund rather than give taxpayers rebates.

"The current tax system is flawed," and the tax increases proposed in the two measures would only make it worse, he said.

Novick said voters have rejected temporary, broad-based taxes in the past and probably would do so again. And he said the business community did little to prevent the state's kicker law from being voted into the constitution, where it is much more difficult to change.

"Mr. McCormick's clients don't put their money where their mouth is," he said. "They only put there money where their money is."

-- **Harry Esteve**

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