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Gov. Kitzhaber and tax reform

In a question-and-answer period after his state of the state address Friday at the Portland City Club, Gov. John Kitzhaber said tax reform is still on his plate, despite his current focus on overhauling education and health care.

Oregon is dependent on personal and corporate income taxes for aid to public schools and state services after voters clamped limits on local property taxes in the 1990s — and voters rejected general sales taxes nine times between 1933 and 1993. Attempts by previous governors to pursue change have failed; Kitzhaber did not attempt large-scale changes during his previous tenure as governor from 1995 to 2003.

One of his future goals, he said during his address, is “establishing a revenue system that can adequately fund education and shelter us from the boom-and-bust economic cycles that have plagued us for decades.”

In response to a question, he referred to remarks he made at the Oregon Business Summit on Dec. 12 about bringing together labor unions and education and human service advocates, which backed higher personal and corporate income taxes for higher-end households and businesses in the form of Measures 66 and 67 two years ago, and businesses that largely opposed them. (Kitzhaber, then a candidate, backed the measures but said he would have pursued a more collaborative process that would not have split the two sides so deeply.)

“We had people who were on opposite sides of the table during the Measure 66/67 campaign in the same room (at Mahonia Hall, the governor’s official residence in South Salem), and recognize that we cannot solve the tax problem without all of them doing their part. That has begun...”

“That (meeting) has been followed up by a couple of other meetings. A dialogue is taking place. We are trying to do some joint polling. We are looking at various options. Then I think we have to decide on the best approach. Obviously, there are a number of factors. One has to do with stability, a key element. One is adequacy, and one has to do with equity — which is largely in the mind of the beholder. It may be a more difficult one to address, but we have to get it on the table. We have to make sure that the relationship between our long-term economic objectives and our tax code is not random, but is intentional.

“Then we have to have a campaign to engage and educate Oregonians about the need to do this. So we are moving in that direction, and I am optimistic that we will be able to pull it off.”

— Peter Wong




This entry was written by Peter Wong, posted on January 14, 2012 at 3:14 pm, filed under Capitol Watch and tagged Gov. John Kitzhaber, Measure 66, Measure 67, Oregon state of the state, Portland City Club, tax reform. Bookmark the permalink.

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