

PAT for Progressive Revenue Resolution

ACKNOWLEDGING: OEA stated that we would only sit at the table with Nike and the Coalition for the Common Good based on the principles of raising significant revenue progressively that is not tied to reducing pay or benefits, including PERS; [OEA is working to defeat PERS proposals that diminish the benefit or redirect member money. None of the PERS ideas are in this bill.] and The Coalition for the Common Good was originally a PAC of our political opponents [In any legislative process, we are sometimes on the same side, sometimes on the opposite side, of issues with these and other entities.], Nike, Comcast, and developer, John Russell chair of the Oregon Business Association PAC; and Nike has a long history of political maneuvering that has allowed them to evade taxes and has negatively impacted public education and public employees, including attacks on PERS; and

The Student Success Act proposed by the Legislature's Joint Subcommittee on Revenue's largely reflects the goals and priorities lobbied for by the Coalition for the Common Good [There are two parts of the Student Success Act. One part is raising revenue and the other part – the vast majority – is how that revenue is to be spent. The Coalition for the Common Good was a part of the revenue conversation only. OEA was the only voice from the Coalition at the table in developing the rest of the SSA. OEA argued for long-held OEA legislative values and priorities. On most points, OEA was successful in eliminating objectionable ideas, inserting good policy, and minimizing the impact of parts we couldn't cut.]; and

The Student Success Act, a start for increasing funding but not enough to remedy decades of disinvestment, dedicates only 50% of its funding to improving our classrooms, approximately \$500 million per year; and The Student Success Act would raise only \$1 billion per year, \$2 billion per biennium, [The \$2 billion/biennium = \$1.5 billion to K-12 and \$400 million to early learning, which OEA also supports to get kids learning ready and set the stage for ending the disrupted learning crisis. \$100 million goes to administrative costs and technical support by ODE, which will also benefit K-12. All told, the resources will get our schools very close to the sum recommended by the QEM – not “only 50%”.] through a commercial activities tax or value added tax that is a flat tax that taxes the sales of businesses equally, but not equitably or progressively [The current Corporate Income Tax is also a single flat rate. This additional tax – about a half percent (.57) – affects only 40,000 of 460,000 entities doing business in Oregon. The affected entities are the ones having more than a million dollars in sales in Oregon. It does not impact small businesses]; and

We learned through the campaign for Measure 97 that a flat taxes such as commercial activities taxes and gross receipts taxes are unpopular with voters and would likely be defeated at the ballot; and [Measure 97's opponents never called it a “flat tax”; they called it a “sales tax” to scare voters. They spent more than \$20 million on this messaging. They also argued that it gave the legislature a “blank check” (the argument that was most persuasive). HB 3427 does not do that – it dedicates 100% of the resources to public education, which voters overwhelmingly support. The revenues raised are also a magnitude smaller – just \$2 billion instead of \$6 billion. This smaller amount was what we hoped public education would get with M97, with the rest going to other worthy expenditures. The Student Success Act also includes an personal income tax reduction, which will appeal to voters.]

We have a supermajority of Democrats who state they want to raise revenue and fund education, and we are in a moment in the state and nationally, where taxing the rich and corporations is a popular idea not only raising revenue but also remedying both growing economic and political inequality; and A coalition of progressive groups in the Oregon Revenue Roundtable, including Tax Fairness Oregon, Oregon Center for Public Policy, League of Women Voters and unions like AFT and OSEA, presented revenue ideas in Salem on February 26th that are both more progressive and raise more revenue than the deal being made with Nike; and [The Revenue Roundtable, with which OEA participated from the beginning, created a long list of other ways to raise revenue that the Legislature might consider, not instead of, but in addition to HB 3427. In fact, Rev. Roundtable founder, OCPP Policy Analyst Daniel Hauser, testified in favor of HB 3427 and OCPP's logo is on the public materials supporting the bill. All of the groups mentioned above are part of the OEA-led Oregon Revenue Coalition (formed in 2001), and we continue to work together on many of the elements of that list. Not all policy will be embedded in a single bill.]

The Oregon Revenue Roundtable proposals include increasing the corporate tax rate, increasing the corporate minimum tax, enacting complete reporting, expanding Oregon's Earned Income Tax Credit, and eliminating the pass-through income tax break which allows companies to pass profits to their owners who then report the profits as personal income allowing businesses to avoid corporate taxes on their profits; and [As noted above, many of these ideas are still being worked in the Capitol. EITC expansion, paid for by capping the pass-through tax break, is one such example that has potential political viability to pass this session. OEA has also supported complete reporting and other mechanisms to ensure that corporations pay more of their fair share.]

The most progressive and winnable part of the Oregon Revenue Roundtable proposals would raise at least \$2.5 billion (with more if we can win property and excise tax reforms); and [Again, this mischaracterizes the Revenue Roundtable message, which is to see this list of suggestions as companion ideas to HB 3427, not a replacement for it. It was not composed to compete with the bill that the legislature found to have sufficient support; it was composed to add more suggestions to the overall revenue conversation.]

RESOLVES:

That PAT leadership publically demands that the Oregon legislature increase the corporate tax rates, increase corporate minimum tax, enact complete reporting, expand Oregon's Earned Income Tax Credit, and eliminate pass-through income tax breaks and use those funds to invest in public education, and; [How does publicizing this help to ensure that the \$2 billion+ per biennium plan is sustained at the ballot box? By airing internal tactical grievances publicly, the makers of this motion hand opponents an easy way to defeat the revenue plan by divide and conquer. Now is the time for unity, not division. We agree that corporations should pay more of their fair share, and this mechanism was the one that got sufficient legislative support to pass.]

Supports the legislature passing the most progressive and equitable Tax Proposals on the table; and

That PAT leadership endorse the May 8th walkout and encourages members to advocate for progressive and equitable revenue; and

Send a copy of this resolution to all PAT members; PPS Board of Education; to Oregon Education Association President, Board of Directors, and Lobbyists; Governor Kate Brown; and all Oregon legislators; and

Direct the PAT legislative committee to educate membership about the Oregon Revenue Roundtable Proposals and create a plan to mobilize members to win progressive state tax policies; and

Make this the specific demand for this legislative session and for upcoming lobby day actions.