

Impact of Imposing 0.4% Broad Gross Receipts Tax

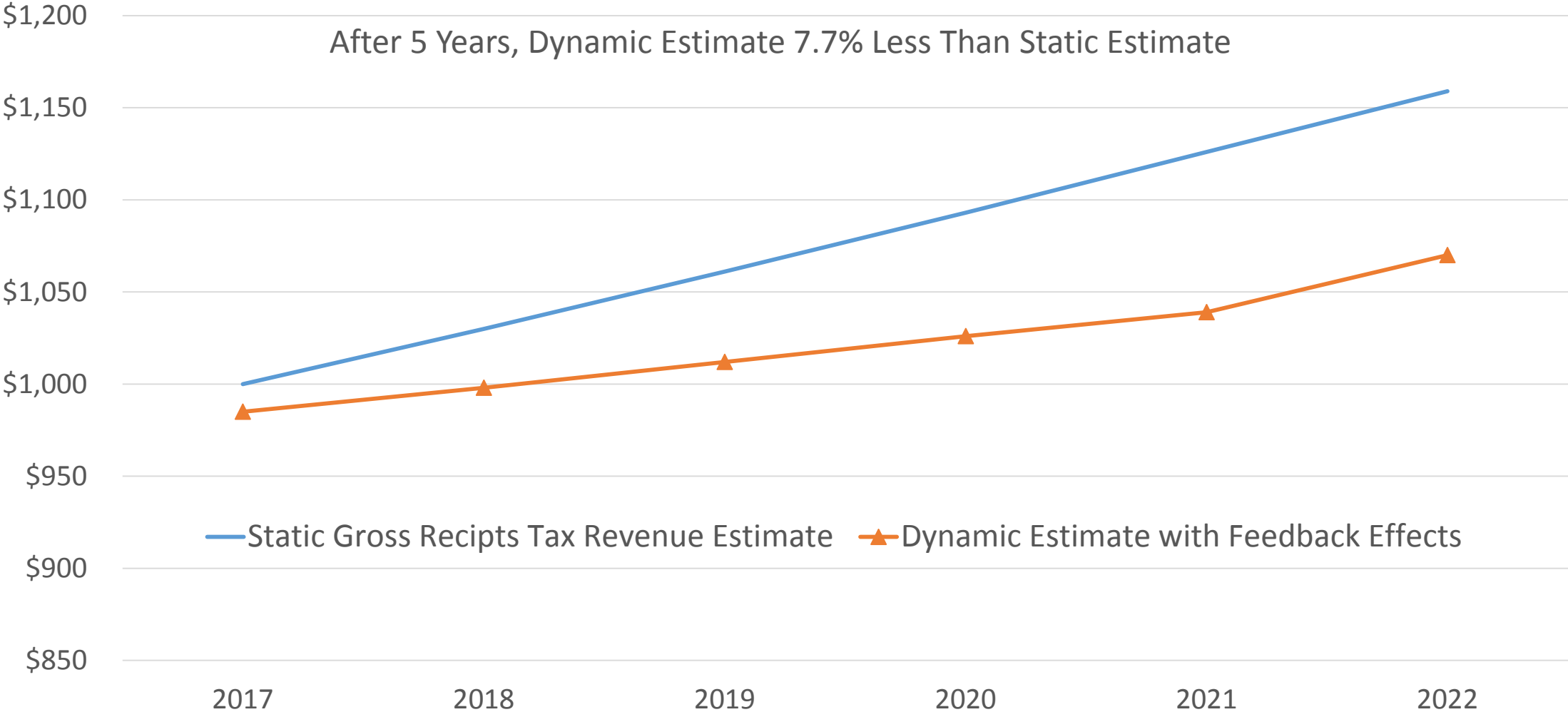
Revenue Impact Estimates

(in millions)

	Annual Revenue Impact Estimate
<i>Overall Revenue Impacts</i>	
Static Revenue Estimate for 2017	+\$1,000
Dynamic Revenue Feedback over Time	-\$77
Net State and Local Revenue Impact	+\$923
<i>Impact by Fund Type</i>	
State General Fund Impact	+\$977
State Other Funds Revenue	-\$23
Local Revenue	-\$31

Revenue Impact Estimate Over Time

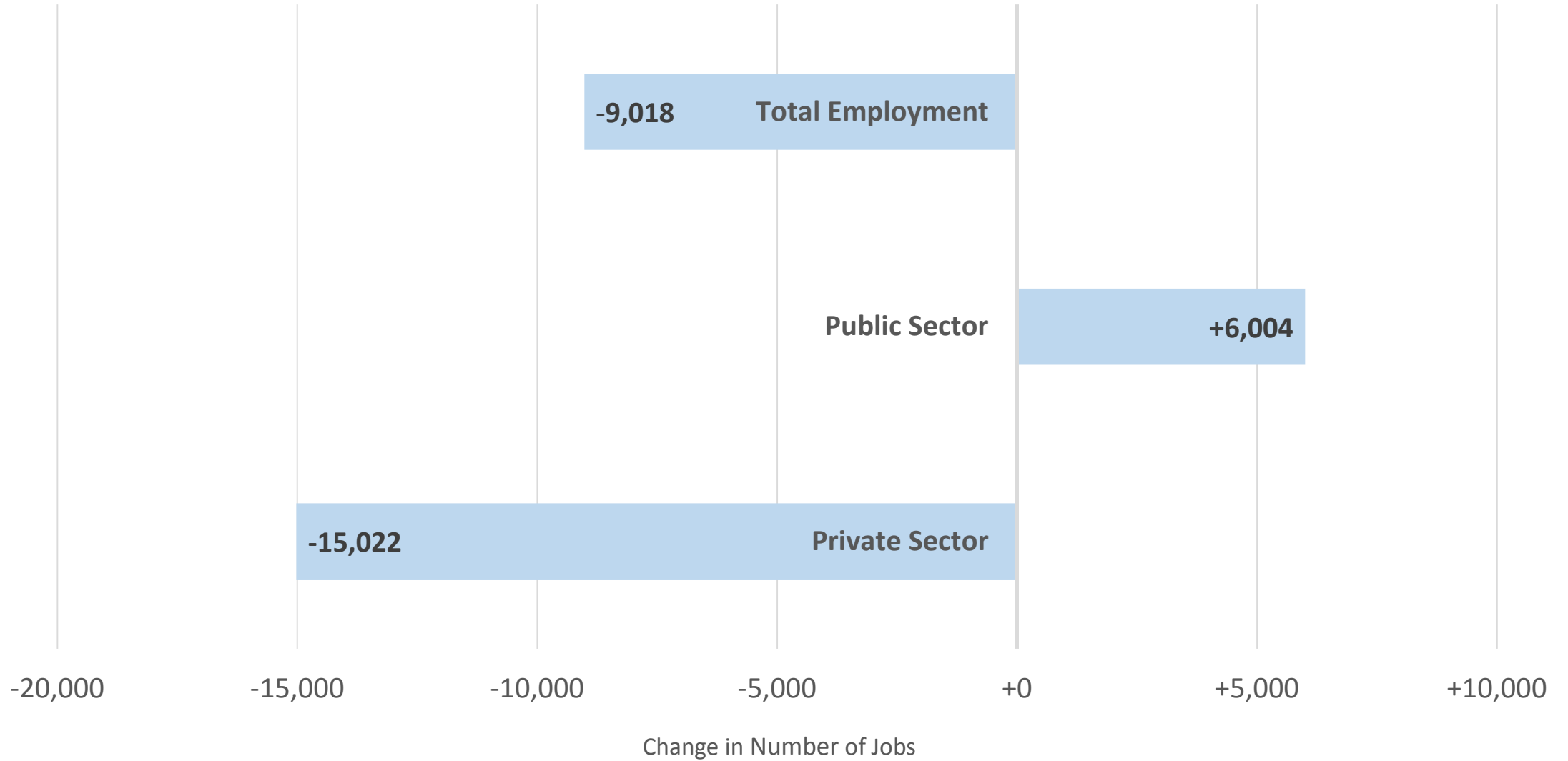
(in millions)



Overall State Economic Effects

	Change from 2017 Baseline	
Key Variables	Total Change	Percent Change
Nominal Personal Income	-\$344 million	-0.18%
Household Income	-\$799 million	-0.50%
Population	-8,041	-0.18%
Price Level	+0.39 (Baseline equal 100)	+0.39%
Real Per Capita Personal Income	-\$177	-0.38%

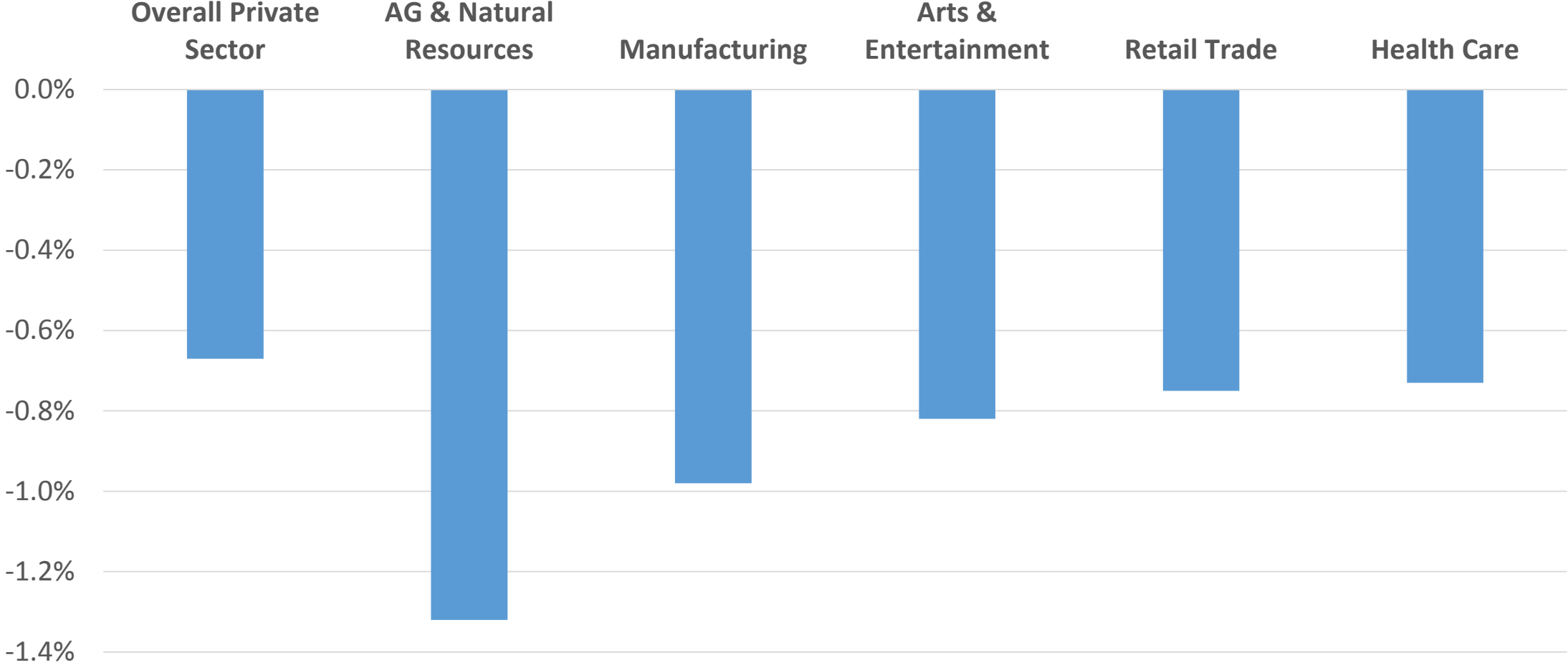
Employment Impacts



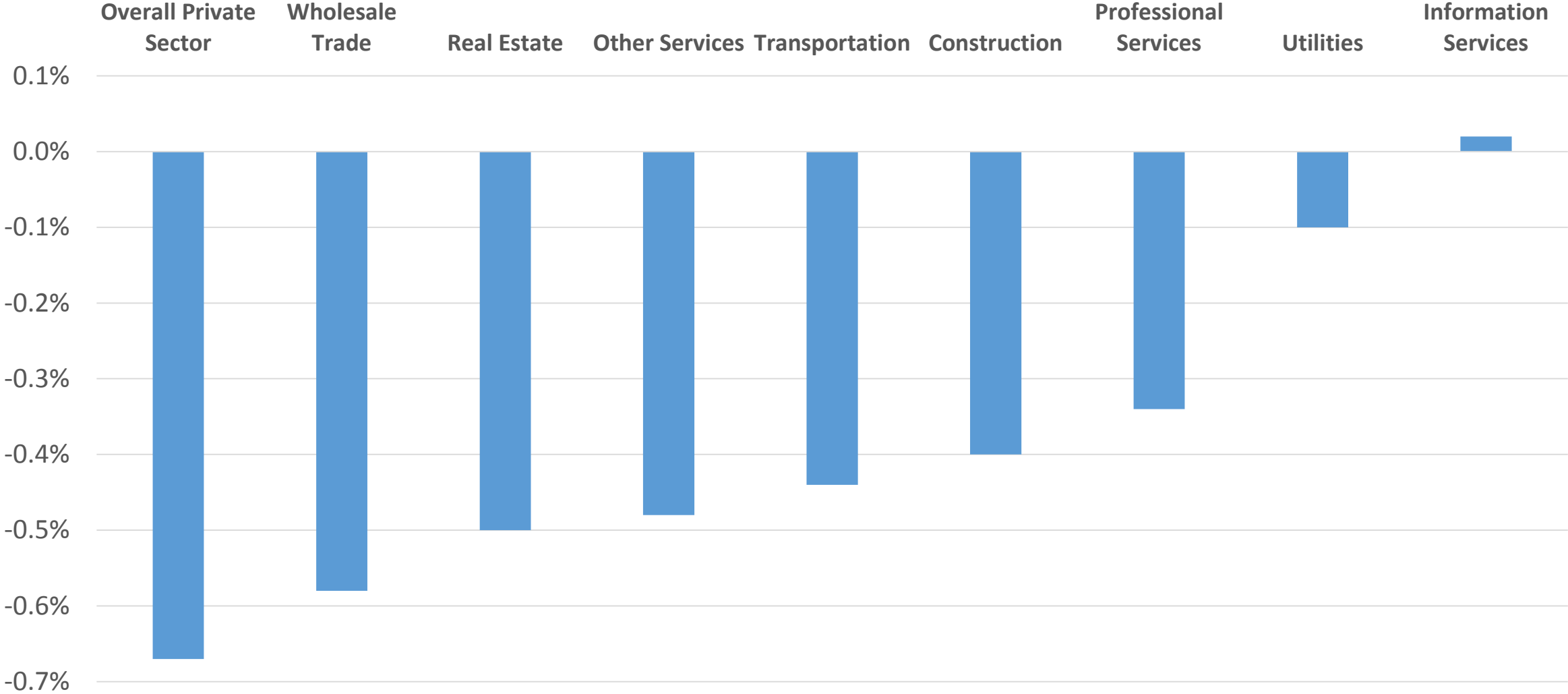
Private Sector Employment Impacts by Industry

Private Sector	Baseline	Level After Tax Change	Difference
Ag & Natural Resources	109,469	108,028	-1,442
Utilities	51,579	51,525	-54
Construction	121,404	120,922	-482
Manufacturing	226,633	224,414	-2,219
Wholesale Trade	101,341	100,755	-586
Retail Trade	451,235	447,831	-3,404
Transportation	70,530	70,219	-312
Information	19,953	19,957	+4
Financial Services	106,517	105,157	-1,360
Real Estate	107,478	106,938	-540
Professional Services	288,439	287,454	-985
Health Care	223,246	221,606	-1,639
Entertainment	65,913	65,372	-542
Other Services	305,081	303,621	-1,460

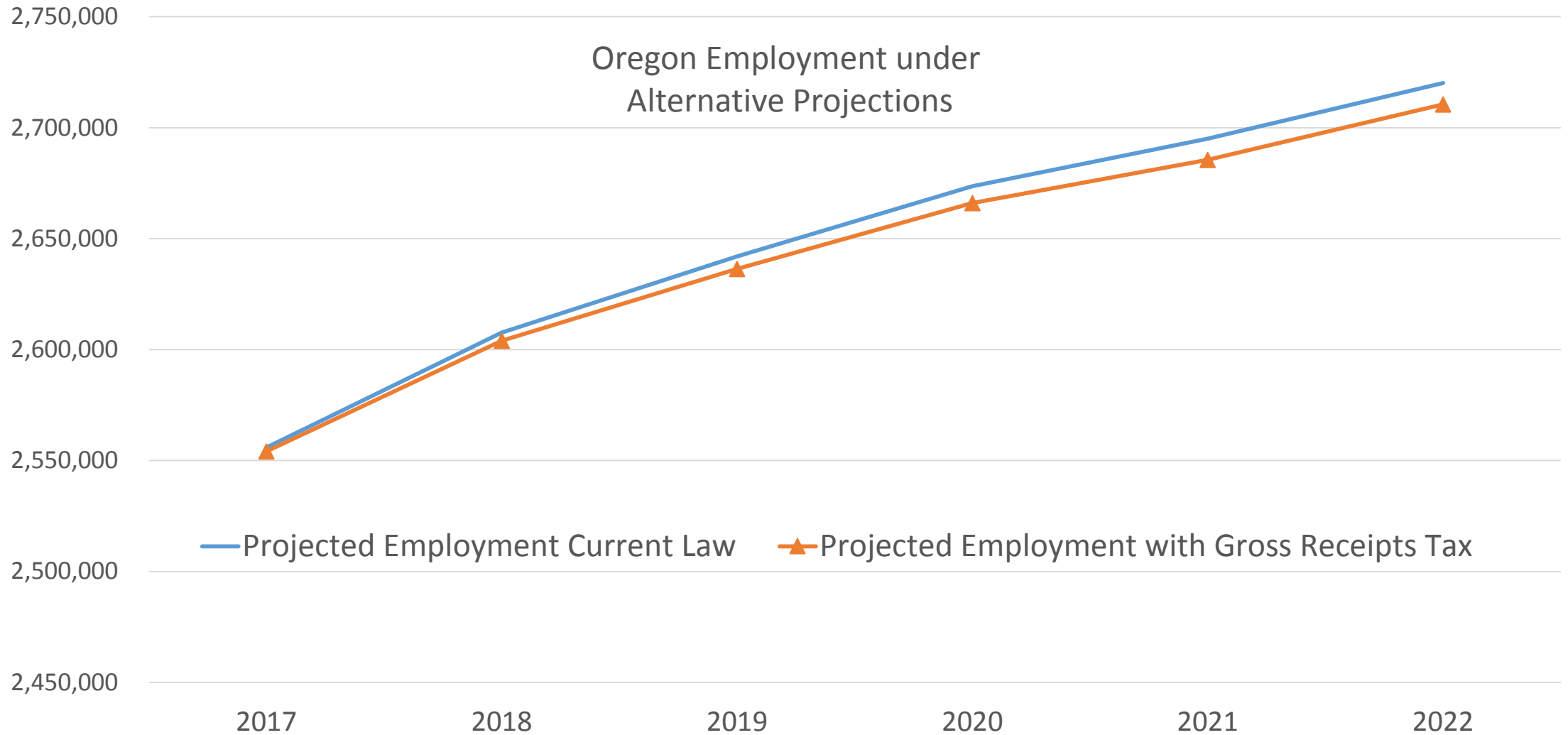
Percentage Employment Decrease by Industry: Greater than Average Proportional Reductions



Percentage Employment Decrease by Industry: Smaller than Average Proportional Reductions



Impact of Gross Receipts Tax on Employment Projections



Impact on Number of Oregon Households

Household Income Groups	Change in Number of Households	% Change in Number of Households
<\$20,587	-180	-.07%
\$20,587-\$34,311	-256	-.12%
\$34,311-\$48,036	-336	-.16%
\$48,623-\$68,623	-552	-.20%
\$68,623-\$102,934	-719	-.22%
\$102,934-\$137,246	-468	-.23%
\$137,246 to \$205,869	-429	-.23%
>\$205,869	-287	-.28%
Total	-3,227	-.20%

Distributional Effects

Household Income Groups	Change in Average Household Income	% Change in Average Household Income
<\$20,587	-\$121	-0.29%
\$20,587-\$34,311	-\$168	-0.30%
\$34,311-\$48,036	-193	-0.29%
\$48,623-\$68,623	-\$217	-0.29%
\$68,623-\$102,934	-\$276	-0.30%
\$102,934-\$137,246	-\$329	-0.27%
\$137,246 to \$205,869	-\$418	-0.24%
>\$205,869	-\$604	-0.17%

Impact of Broad Gross Receipts Tax: Conclusions

- Negative, relatively small revenue feedback.
- Nominal personal income reduction offset by reduced population.
- Real per capita income reduced by higher price level.
- Private sector employment loss more than offsets public sector increase, leading to relatively small overall employment loss.
- Private sector employment losses spread broadly with largest decreases occurring in sectors with multiple intermediate transactions and service sectors.
- Size of tax burden increases with income but at a lower proportional amount leading to a slight decrease in progressivity.