

Joint Committee on Tax Reform Simulation 11

(effective 1-1-2018):

5/22/2017

1. Eliminate Corporation Income Tax
2. Create a Commercial Activities Tax (\$250 + 0.48%/.85%/.25%/.35% of sales > \$3 million)
3. Include 25% CAT credit for PTEs
4. Change PIT rates from 5/7/9/9.9 to 4.5/6.5/8.75/9.9
5. Repeal preferential tax rates for PTEs

2018 Levels				
	Baseline	New Equilibrium	Change From Baseline	Percent Change
Private Sector				
Nominal Personal Income (\$M)	\$197,714	\$197,717	+\$3	+0.00%
Nominal per capita Personal Income (\$M)	\$47,075	\$47,052	-\$22	-0.05%
Employment (Thousand)	2,590.7	2,594.8	+4.1	+0.16%
Population (M)	4.200	4.202	+0.002	+0.05%
Investment (\$M)	\$16,477.31	\$16,514.30	+\$37	+0.22%
Wage Index	100.0	99.72	-0.28	-0.28%
Return to Capital	100.0	100.06	+0.06	+0.06%
Price Levels	100.0	100.15	+0.15	+0.15%
Public Sector				
State Spending (\$M)	\$27,966	\$28,354	+\$388	+1.39%
GF Revenue (\$M)	\$8,759.52	\$9,149.23	+\$390	+4.45%
OF Revenue (\$M)	\$19,206.36	\$19,204.73	-\$2	-0.01%
Local Govt Revenue (\$M)	\$17,002.88	\$17,017.67	+\$15	+0.09%
Federal Tax Paid by Oregonians (\$M)	\$35,913.27	\$35,930.75	+\$17	+0.05%

Static Revenue Impact (\$ Millions)	+\$394
Dynamic Revenue Impact (\$ Millions)	+\$9
Net Revenue Impact (\$ Millions)	+\$403
General Fund Change (\$ Millions)	+\$390
Other Funds Change (\$ Millions)	-\$2
Local Revenue Change (\$ Millions)	+\$15

Total Real Disposable Household Income

	Baseline (\$M)	New Equilibrium (\$M)	Difference (\$M)	% Difference	Change in Number of Hholds	Mean Income Change per HH (\$)
Above \$205,869	\$35,666	\$35,514	-\$151.4	-0.4%	-145	-\$1,059
\$137,246 - \$205,869	\$31,411	\$31,327	-\$84.1	-0.3%	-125	-\$360
\$102,934 - \$137,246	\$24,463	\$24,415	-\$48.0	-0.2%	-17	-\$242
\$68,623 - \$102,934	\$29,974	\$29,916	-\$58.0	-0.2%	59	-\$203
\$48,036 - \$68,623	\$19,776	\$19,754	-\$22.0	-0.1%	271	-\$160
\$34,311 - \$48,036	\$13,383	\$13,380	-\$2.2	0.0%	415	-\$147
\$20,587 - \$34,311	\$11,714	\$11,714	-\$0.7	0.0%	435	-\$123
Less than \$20,587	\$9,867	\$9,843	-\$23.8	-0.2%	-14	-\$101
TOTAL	\$176,253	\$175,863	-\$390.1	-0.2%	879	

