

To: Sen Bentz

Principles applicable to the Student Success Revenue Sub-committee's efforts to address the revenue needs of Oregon's K-12 School System

Additional revenue is needed—this determination has been made by the Student Success Committee. In determining how to raise more money for student success, these principles will be considered:

- A. The Revenue raised, from whatever the source might be, will be dedicated to the purpose of funding schools to make them better able to achieve their purpose
- B. The tax should be on business, not individuals
- C. A broad based tax with a low rate is generally speaking the best tax
- D. The tax should be destination based
- E. The tax should be equitable across business
- F. The tax should add stability to Oregon's revenue system
- G. The tax should be progressive
- H. The tax should be designed to the greatest extent possible to make Oregon more attractive to business, not less
- I. The tax should be a part of tax reform, not simply a new additional tax on Oregonians
- J. The design of the tax should take full advantage of federal tax policy
- K. The tax should not make Oregon less competitive with neighboring states
- L. The tax should take into account other taxes and expenses that businesses are paying
- M. Means and cost of collecting the tax must be addressed
- N. The new or increased taxes' incidence must be understood
- O. The impact of the tax must be addressed in light of other costs to business imposed by government (mandates)
- P. If possible, the tax should be on consumption not production
- Q. In considering tax burden, new and recent taxes implemented by the state must be taken into account.