

FAX COVER SHEET

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AOI legislative goals include truckers' highway tax freeze

By STEVE LAW

Associated Oregon Industries has proposed a freeze on truckers' highway taxes as a way to end years of gridlock over state gas-tax hikes.

The statewide business lobby, in its recently released agenda for 1997 legislative action, suggested a freeze on the weight-mile tax and other efforts to provide tax relief for truckers. "There needs to be some sort of bump in financing for the roads," said AOI lobbyist Betsy Earls. However, she pointed out, a simple increase in the gas tax automatically lifts the weight-mile tax on truckers, and Oregon truckers already pay some of the stiffest taxes in the nation.

Many businesses are anxious to boost the state gas tax, but Oregon's trucking industry has helped block past legislative proposals to raise the tax.

Freezing the weight-mile tax "wouldn't be the whole solution," Earls stressed. But AOI figures tax relief for truckers is needed to gain necessary revenue for roads in the state.

As reported earlier, AOI also plans to propose a charter-school bill and some hold reforms for the state's higher education system in the 1997 Legislature.

"We have a chance to re-energize the higher education system," said AOI President Richard Buttrick. "Some of it will be from money and some of it will be ideas."

AOI will propose a three-year bachelor's degree program for advanced students, an idea aimed at cutting costs.

The business group also wants professors to become more involved in the work-

ing world. To encourage that, AOI proposes changes in the faculty tenure system, thus giving universities more tools to evaluate employee performance.

AOI also wants to reduce duplication among academic programs at the various state colleges and universities. Buttrick proposes a University of California-style "centers of excellence" concept, whereby each institution specializes in certain programs. Given the state system's funding problems, it's an ideal time to pursue structural changes, Buttrick said.

In other new proposals for next year's Legislature, AOI proposes to:

- Scrap the new Employee Commute Option program in the Portland area, which requires large employers to reduce auto commuting by employees. Instead, AOI

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suggested the state consider new fees for motorists, or tax credits to get junker cars off the roads.

- Deregulate electric utilities, so customers can choose their electricity provider. AOI will oppose any new energy taxes or fees tacked onto utility bills.

water protection act. Cleanups would restore waters to a healthy level, not necessarily a pristine level.

- Add legal protections for employers who provide references or other information about former workers. Many employers are reluctant to give out any information for fear of being sued by ex-employees, AOI said.

- Fine-tune the state's family leave law. AOI wants to clarify how parental leave is split between spouses, and prevent abuses by parents who falsely claim their children are ill.

- Procure money for the Oregon Health Plan within the general fund, rather than through an increased cigarette tax.

- Exempt bank-account interest from state income taxes. This would encourage more people to save money.

- Increase the amount of federal taxes that can be used as a deduction on state income taxes. The limit is now set at \$3,000.

- Eliminate the throwback rule, which taxes corporations for business conducted in other states and countries.

- Limit new environmental regulations that would take more forest land out of production.

AOI likely will not oppose a statewide transfer tax on real estate, if a consensus on the issue holds among business groups in the housing industry.

"If they reach an accommodation, we probably aren't going to get in the way of it," said Gary Carlson, AOI executive vice president.

As proposed by a coalition of housing interests, homebuilders and bankers, the transfer tax would aid affordable housing efforts and provide money for sewers and other infrastructure.

"I think the time has come" for the idea, said Richard Anderson, AOI board member and director of the Fannie Mae housing finance company in Portland.



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September 4, 1996

Fairness Matters to Oregonians Committee
 867 Liberty Street NE
 Salem, OR 97301

Dear Sirs:

It is my pleasure to inform you that the Oregon Grocery Industry Association (OGIA) has voted to oppose Ballot Measure 44. You are hereby authorized to list the association as opposing this initiative in your campaign literature. Please contact us prior to using the OGIA name in any other fashion for our approval.

Best wishes in your efforts to defeat this initiative which will cause great harm to the grocery industry's smaller retailers and convenience stores. The loss in sales caused by such a huge tax increase could lead to increased business failures for this class of retailers.

Please call on me if there is anything the association can do to assist you in your efforts.

Sincerely,

Steve McCold
 Stevan McCold
 President

Tiny Matthews, President
5120 SE Powell Blvd.
Portland, OR 97208



Telephone: (503) 771-8107
Fax: (503) 771-3082

STATEMENT IN OPPOSITION TO MEASURE 44

The Oregon Retail Liquor Association strongly opposes any increase to the cigarette tax in Oregon. Tobacco is already being punished by an abusive tax structure that is damaging the industry. When speaking of the industry we need to understand that the big cigarette companies are not the major portion of the industry. Small businesses like convenience markets, gasoline stations and liquor stores rely on tobacco sales for a significant portion of their incomes. Measure 44 will hurt all of these small businesses in many ways. First it will drive up the cost of maintaining an inventory of tobacco products. Next it will reduce the discretionary dollars in the pockets of the consumers who patronize these small businesses. Lower sales of other products like food, milk, and other consumables will spread some of the damage to those industries. The end result is every dollar confiscated by the State of Oregon through this unfair tax will be one less dollar that can circulate through the smallest and poorest businesses in Oregon. Some will close and all will be hurt.

Regulation of public behavior through the use of taxation is offensive and it doesn't work. Regardless of the intent of the perpetrators of Measure 44, it puts the State of Oregon in the position of regulating social behavior through unreasonable taxation. If this happens we can expect the exact same result as has happened with distilled spirits. Just as we now have a river of bootlegged liquor flowing into Oregon because of state greed, Measure 44 would create a second river of bootlegged tobacco. Truly the consumers behavior can be modified and Oregon would again suffer major economic loss because there is no way to control how the consumer will modify their behavior.

Measure 44 is a bad idea that needs to die a quick death.

Tiny

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