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QuickPoint! – Like a Sales Tax on Steroids

By Steve Buckstein

Now that the massive [Gross Receipts Tax measure IP 28](#) will be on Oregon's November ballot, we likely will see many estimates of its impact on the state economy.

An economic research center at Portland State University just came out with [its report on the measure](#), funded by the measure's sponsor, union-backed Our Oregon.

Too bad that the sponsors picked a center headed by a respected former Oregon State economist who [said publicly in March](#) that their proposal would be "like a sales tax on steroids."

Dr. Tom Potiowsky now chairs the PSU Economics Department and directs the Northwest Economic Research Center at the university. While the new PSU report doesn't include the "sales tax on steroids" language that he personally used in March, it does confirm that such taxes "share many characteristics with sales taxes, and thus a greater burden on lower income households."

The report also finds that because the tax will increase the cost of doing business in Oregon, it will destroy some 13,500 private sector jobs by 2027, while the added tax revenue will enable government employment to grow by 33,600 positions over the same period.

So, the tax will most hurt those least able to afford it, and will shift employment from the private to the public sector. Not bad for a sales tax on steroids.

Steve Buckstein is Founder and Senior Policy Analyst at Cascade Policy Institute, Oregon's free market public policy research organization.