

## Opinion - Oregon's 'Rebate' Proposal Is a Backdoor Tax Increase

By Bill Conerly

Will voters in the deep-blue State of Oregon vote for a regressive sales tax? Maybe, if they are too ignorant of economics to understand the ballot measure.

The "Oregon Rebate" would provide about \$1,600 to every man, woman, and child in the state, funded by a tax that would disproportionately hit lower-income earners, even though the public largesse would reach the richest people in the state. The tax would slow down economic growth in Oregon by a small degree, distort economic decisions as businesses minimize their tax burden, and lure fraudsters in droves.

Voter confusion would begin with the concept of a business tax. The measure seeks to increase taxes paid by most corporations that earn more than \$25 million in revenue, which makes it sound progressive and supposedly socks it to the rich. But, in reality, it would add something like a sales tax, which would be passed on to consumers. Oregon has a corporate-income tax with a small minimum. Ballot measure 118 proposes to increase the minimum corporate tax to 3 percent of revenue: Corporations would be expected to pay whichever was greater, the minimum or the tax as computed with the current income-tax schedule. Most corporations would pay the new minimum, based on their sales in the State of Oregon, and pass it on to consumers through higher prices. The state's Legislative Revenue Office used a large economic model to estimate that prices would be pushed up by 1.3 percent.

Read the rest of the article at [National Review](#)...

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