

SAMPLE BALLOT
SPECIAL ELECTION
JANUARY 26, 2010

To vote, blacken the oval () completely to the right of the response of your choice.

PRECINCT - ALL

TAX CODE - ALL

REFERENDUM ORDER BY PETITION OF THE PEOPLE

MEASURE 67

Raises \$10 corporate minimum tax, business minimum tax, corporate profits tax. Provides funds currently budgeted for education, health care, public safety, other services

Result of "yes" vote: "Yes" vote raises \$10 corporate minimum tax, establishes \$150 minimum tax for most businesses or minimum tax of approximately 0.1% of total Oregon revenues for some corporations with over \$500,000 in Oregon revenues. Raises tax rate some corporations pay on profits by 1.3 percentage points. Increases certain business filing fees. Raises estimated \$255 million to provide funds currently budgeted for education, health care, public safety, other services. Yes

Result of "no" vote: "No" vote retains \$10 corporate minimum tax, rejects \$150 minimum tax, rejects raising corporate profits tax, other changes. Leaves amount currently budgeted for education, health care, public safety, other services underfunded by estimated \$255 million. No

Summary: Under current law, corporations conducting business in Oregon pay \$10 minimum tax; tax has not changed since 1931. Some corporations pay a profits tax of 6.6%. All other businesses pay no minimum or profits tax. Beginning in tax year 2009, the Measure increases \$10 minimum corporate tax to \$150; some corporations with over \$500,000 in Oregon revenues will pay minimum tax of approximately 0.1% of Oregon revenues. Limits tax to \$150 for S corporations and partnerships. Sole proprietors are not impacted by this measure. Raises tax rate some corporations pay on profits by 1.3 percentage points until 2011; increase then drops to 1 percentage point and as of 2013, applies only to profits over \$10 million. Corporations pay minimum tax or profits tax, not both. Increases filing fees by \$50 for Oregon businesses, by \$225 for out of state businesses. Raises estimated \$255 million to provide funds currently budgeted for education, health care, public safety, other services. Because some state money brings in federal matching funds, Oregon will likely receive more federal money if measure passes than if the Measure fails. Other provisions.

Estimate of financial impact: This measure increases revenues for the state budget between \$118 million and \$138 million per year for fiscal years 2010, 2011, and 2012, primarily for the General Fund. The measure increases revenues by approximately \$123 million per year thereafter, depending upon growth in corporate profits and sales.

Revenue from this measure is included in the 2009-11 state budget. Failure of the measure will reduce revenues expected to be available for expenditures in the 2009-11 state budget by \$255 million. This could result in reduced state-shared revenues to schools and local governments. Failure of the measure also may result in a reduction of federal funds that are used to pay for some state services.

Failure of the measure may limit the state's ability to borrow money. It also may have a negative impact on the state's credit rating which could increase the cost of future borrowing by the state and local governments.

WARNING - Any person who, by use of force or other means, unduly influences an elector to vote in any particular manner or to refrain from voting, is subject to a fine. (ORS 254.470)

VOTE BOTH SIDES