Center on Budget and Policy Priorities

CBPP STATEMENT

Wednesday, January 27, 2010

Contact:
Shannon Spillane, 202-408-1080, spillane@cbpp.org

820 First Street, NE, Suite 510
Washington, DC 20002
Tel: 202-408-1080
Fax: 202-408-1056
center@cbpp.org
www.cbpp.org

Robert Greenstein
Executive Director
T. Scott Bunton
Deputy Director

Board of Directors
David de Ferranti, Chair
Results for Development Institute
Henry J. Aaron
Brookings Institution
Ken Apfel
University of Maryland
Barbara B. Blum
Columbia University
Henry A. Coleman
Rutgers University
Marian Wright Edelman
Children's Defense Fund
James O. Gibson
Center for the Study of Social Policy
Beatrix Hamburg, M.D.
Cornell Medical College
Antonia Hernández
California Community Foundation
Frank Mankiewicz
Hill and Knowlton
Richard P. Nathan
Nelson A Rockefeller Institute of Government
Marion Pines
Johns Hopkins University
Robert D. Reischauer
Urban Institute
Paul Rudd
Adaptive Analytics, LLC
Susan Sechler
German Marshall Fund
William Julius Wilson
Harvard University

John Kramer
Founding Chair
1937-2006
Sol Price
1916-2009

STATEMENT OF NICHOLAS JOHNSON, STATE FISCAL PROJECT DIRECTOR, ON THE PASSAGE OF REVENUE MEASURES IN OREGON

In approving tax increases on the ballot yesterday, Oregon voters wisely chose a balanced approach to addressing the state's budget crisis. They rejected the claim that revenue increases would harm the economy and, instead, they acknowledged that relying on program cuts alone would hurt families and endanger the state's long-term economic prospects.

The country has been in the worst recession since the 1930s, which has caused the steepest declines in state tax receipts on record. As a result, even after cutting programs very deeply, states continue to face large gaps between growing public needs and the resources available to meet them. About 30 states have raised taxes since the recession began in order to prevent massive cuts in such high-priority areas as education, health care, and public safety.

The Oregon results continue a trend that saw voters in Maine and Washington defeat proposals in November that would have severely curtailed those states' ability to provide crucial services.

Oregon now is one of nine states in recent years that have raised personal income taxes on the highest-income households, and it's also one of nine to raise business taxes. That's the right policy for states; targeted tax increases do less harm to families and less damage to state economies than the alternative: deep cuts in services. In the recession of the early 1990s, some 44 states raised taxes; in the early 2000s, some 30 states did so. These states understood that they couldn't rely solely on cuts to high-priority programs.

As state policymakers around the country weigh how best to address the growing needs of families, seniors, and businesses in this difficult economy, Oregon provides a clear example of how they can take a balanced approach that will best serve their people.

# # #

The Center on Budget and Policy Priorities is a nonprofit, nonpartisan research organization and policy institute that conducts research and analysis on a range of government policies and programs. It is supported primarily by foundation grants.