

A Resolution of the Washington County Democratic Central Committee

Resolution # 2024-002

Endorsing a NO vote on Measure 118

Whereas the Washington County Democrats support the concept of a more equitable tax system, and

Whereas the Washington County Democrats are aware of the potential benefits of alleviating poverty by judiciously applying the principles of a guaranteed minimum income, and

Whereas the Washington County Democrats have reviewed the proposed Measure 118 which presents a plan for increasing taxes on certain corporations and distributes the money equally to Oregonians of all ages, regardless of need, and

Whereas the Washington County Democrats are aware of numerous experiments in providing a minimum guaranteed income, which involved monthly payments, rather than annual payments, and at most a few thousand participants¹, and

Whereas individuals most in need of economic assistance are unlikely to be able to achieve economic self-sufficiency over an extended period with only an annual payment, as they may be living paycheck to paycheck, and may not have a bank account, and

Whereas the payment of a single annual sum (estimated to be around \$1,600 or about \$4 per day) would be ill-timed to meet the monthly needs of those facing the most severe economic hardships, and

Whereas the receipt of the proposed rebate could disqualify the truly poor from other government benefits, such as Medicaid, subsidized housing, and SNAP benefits, and

Whereas the proposed rebate program provides for additional payments to hold harmless those who lose other government benefits, the process for computing the value of those lost benefits is unknown, with significant costs in time and resources which will reduce annual payments for all others, and

¹ <https://www.openresearchlab.org/studies/unconditional-cash-study/study>

Whereas the Legislative Revenue Office estimates that the 5 highest taxed sectors will be retail trade, wholesale trade, finance and insurance, business services, and transportation, with those five sectors accounting for 75% of the total proposed tax, and

Whereas the proposed tax could be applied multiple times to the same product, producing a “pyramiding” effect that drives up the cost at each sale of a product between the original producer and the consumer, and

Whereas the proposed tax is to be levied on gross sales as opposed to net profits, thus significantly impacting those businesses with high sales volumes and low profit margins, and

Whereas the proposed tax would be applied to corporations but not to other large business organizations, even when they have the same sales and are in the same business; thus, the proposed tax affects similar businesses unequally, and

Whereas the money available from the General Fund for critical services will be reduced because of the complexity of our tax code and unintended consequences of the measure with projections that the measure will require reductions in allocations of the state for other critical services of \$819 million in the 2027-29 biennium, increasing in subsequent bienniums², and

Whereas implementation of Measure 118 would be a multi-billion dollar experiment in real time, covering millions of people, and leaving all Oregonians with the consequences, both economic and otherwise, to be paid with higher consumer prices, reduced services, and other unknown costs.

THEREFORE, THE WASHINGTON COUNTY DEMOCRATIC PARTY RESOLVES AS FOLLOWS:

1. We support further investigation of the concept and benefits of a guaranteed minimum income and look forward to a proposal that will truly alleviate poverty and homelessness while not impacting other critical services.
2. The Central Committee of the Democratic Party of Washington County endorses a NO vote on Measure 118.

² <https://www.oregonlegislature.gov/lro/Documents/IP%2017%20Report.pdf>