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April 4, 2017

**Oregon Progressive Party
Position on Bill at 2017
Session of Oregon Legislature:**

HB 3206: Oppose

Dear Committee:

The Oregon Progressive Party (OPP) opposes this bill, which creates a series of special tax credits but only for taxpayers in Klamath County, including:

- Creates tax credit for taxpayer located in qualifying county who purchases software or hardware for electronic commerce.
- Creates tax credit for taxpayer located in qualifying county who establishes and implements employee training program in collaboration with local community college.
- Creates tax credit for taxpayer located in qualifying county who hires and retains graduate of Oregon Institute of Technology.
- Creates tax credit for taxpayer who establishes new business in qualifying county and hires at least one full-time employee for job with new business.
- Creates tax credit for taxpayer located in qualifying county who hires graduate of Oregon Institute of Technology in new insured position.
- Creates tax credit for taxpayer who rehabilitates vacant rural building for commercial use.
- Increases amount of qualified research expenses tax credit for taxpayers located in qualifying county.
- Increases amount of alternative qualified research expenses tax credit for taxpayers located in qualifying county.

Many Oregon counties face economic stagnation. Klamath County is not among the worst. Yet, this bill grants tax credits only for taxpayers in Klamath County. Among other effects, this will likely cannibalize new economic activity from other counties.

Further, this bill may violate Oregon Constitution, Article I, Section 32, which states:

Section 32. Taxes and duties; uniformity of taxation. No tax or duty shall be imposed without the consent of the people or their representatives in the Legislative Assembly; and all taxation shall be uniform on the same class of subjects within the territorial limits of the authority levying the tax. [Constitution of 1859; Amendment proposed by H.J.R. 16, 1917, and adopted by the people June 4, 1917]

Oregon Progressive Party

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