

Initiative Petition 28 (IP28): A Proposed New Tax on Oregon Sales That Would Cost Oregon Consumers & Businesses Billions

Initiative Petition 28 (IP28), an initiative proposed for the November 2016 statewide ballot, would impose billions in new taxes on the sales of products and services that Oregonians buy every day.

Oregon consumers, as well as small businesses, should be very concerned about this costly and damaging proposal. IP28 would create huge new taxes on many products sold in Oregon, as well as on services provided by Oregon employers, even if those services are sold around the world.

The non-partisan Legislative Revenue Office has estimated that IP28 would increase taxes by more than \$5 billion per two-year budget cycle – by far the largest tax increase in our state’s history.

Despite proponents’ claims, this unprecedented new tax would increase costs for working families and consumers and would hurt businesses in our state without any guarantee the money will make it into our classrooms or help our schools. That’s because all of the money from this measure goes to the General Fund with no plan and no accountability for how IP28’s billions in new taxes would be spent.

Proponents of this new tax want voters to believe that it would be paid by large, out-of-state corporations – but ultimately the costs of this proposal, if passed, will fall on Oregon consumers, as well as Oregon small and medium-sized businesses, in the form of higher prices for almost everything we buy. The new tax would be applied to Oregon sales of many products and services including food, electricity, insurance, health care, medicine, gasoline and other essentials.

Editorial: Beware of sales tax lurking in disguise

“The backers of Initiative Petition 28 in Oregon are looking to impose something akin to a stealth sales tax. Registered voters should be very cautious... [the measure] could cost them and the state’s economy more than they expect.”

—**Portland Tribune**, 11/12/15

[continued]

FACTS

Because this would be a new tax on gross sales – not profits – businesses would be required to pay the tax on their total revenues, regardless of whether they make a large profit, a small profit, or no profit at all. That would mean that many employers would have to raise prices or cut jobs, or both.

For many products sold in Oregon, this measure would add a new tax at each step in the production process. By the time an Oregon product goes from a manufacturer to a distributor and then to a retailer in the

Editorial: Oregon consumers should worry...

“Oregonians who'd hesitate to raise their own taxes this much should think twice before supporting Initiative Petition 28.”

—*The Oregonian*, 10/24/15

Editorial: The way to a worse Oregon

“Our Oregon is calling the group working on its campaign ‘A Better Oregon.’ In fact, if it has its way, Oregon and we who live here will be in worse shape than we are today.”

—*The Bulletin*, 9/26/15

state, it may have been taxed multiple times before finally reaching the consumer. This type of “tax on a tax” would make Oregon products more expensive, and Oregon companies less competitive.

So what does IP28 mean for small businesses and consumers? It means higher costs for many Oregon products and services, as well as damaging economic impacts that could threaten the recent economic improvements that we have worked so hard to achieve.

Coalition to Defeat the \$5 Billion Tax Increase on Oregon Sales

INDIVIDUAL COALITION MEMBER FORM

I am **opposed** to the new tax hike on Oregon sales being proposed for the November 2016 statewide ballot. This costly and damaging proposal would impose a new \$5 billion tax increase on sales of Oregon products and services – the largest tax increase in Oregon history. You may list me publicly as a member of the growing coalition of Oregon consumers, taxpayers, small and large businesses, and organizations from across our state who are coming together to urge a NO vote on this damaging initiative.

NAME	SIGNATURE
CURRENT OCCUPATION OR JOB TITLE*	EMPLOYER*
MAILING ADDRESS	CITY, STATE, ZIP
PHONE NUMBER	EMAIL ADDRESS
OTHER CONTACT NUMBER	DATE SIGNED

*Titles and affiliations are for identification purposes only and will be indicated as such on any published lists

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