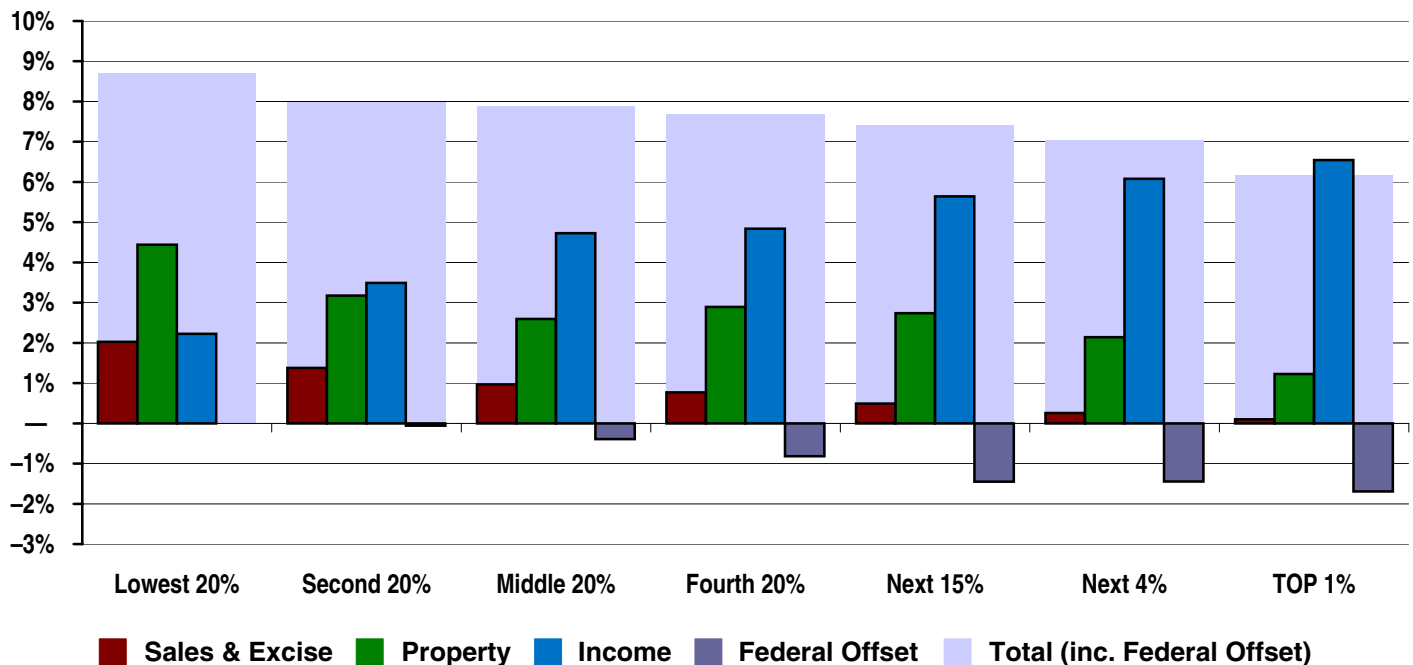


Oregon

State & Local Taxes in 2007

Shares of family income for non-elderly taxpayers



Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$18,000	\$18,000 – \$32,000	\$32,000 – \$53,000	\$53,000 – \$86,000	\$86,000 – \$173,000	\$173,000 – \$417,000	\$417,000 or more
Average Income in Group	\$10,200	\$24,600	\$41,500	\$67,600	\$116,500	\$250,900	\$1,216,500
Sales & Excise Taxes	2.0%	1.4%	1.0%	0.8%	0.5%	0.3%	0.1%
General Sales—Individuals	—	—	—	—	—	—	—
Other Sales & Excise—Ind.	1.8%	1.2%	0.8%	0.7%	0.4%	0.2%	0.1%
Sales & Excise on Business	0.2%	0.2%	0.1%	0.1%	0.1%	0.0%	0.0%
Property Taxes	4.4%	3.2%	2.6%	2.9%	2.7%	2.1%	1.2%
Property Taxes on Families	4.2%	3.0%	2.5%	2.7%	2.5%	1.8%	0.6%
Other Property Taxes	0.2%	0.1%	0.1%	0.2%	0.2%	0.4%	0.6%
Income Taxes	2.2%	3.5%	4.7%	4.8%	5.6%	6.1%	6.5%
Personal Income Tax	2.2%	3.5%	4.7%	4.8%	5.6%	6.0%	6.4%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
TOTAL TAXES	8.7%	8.0%	8.3%	8.5%	8.9%	8.5%	7.9%
Federal Deduction Offset	—	-0.1%	-0.4%	-0.8%	-1.4%	-1.4%	-1.7%
TOTAL AFTER OFFSET	8.7%	8.0%	7.9%	7.7%	7.4%	7.0%	6.2%

Note: Table shows 2007 tax law updated to reflect permanent changes in law enacted through October 2009.

Oregon

State & Local Taxes

Features, Developments, and Comparisons

Progressive Features

- ✓ Income tax brackets, standard deduction, and “exemption” credit indexed to inflation
- ✓ No statewide sales tax

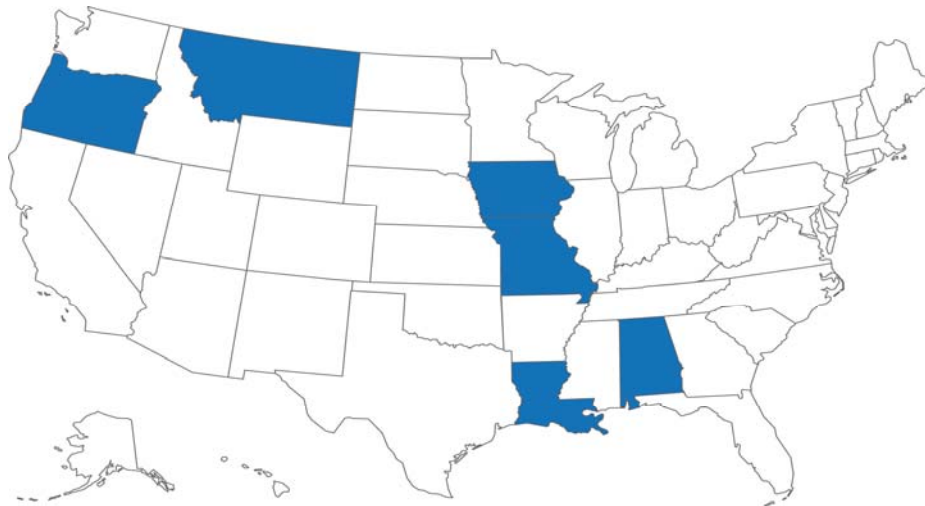
Regressive Features

- ✗ Offers a limited income tax deduction for federal income taxes paid
- ✗ Fails to provide a property tax “circuit breaker” credit for non-elderly taxpayers

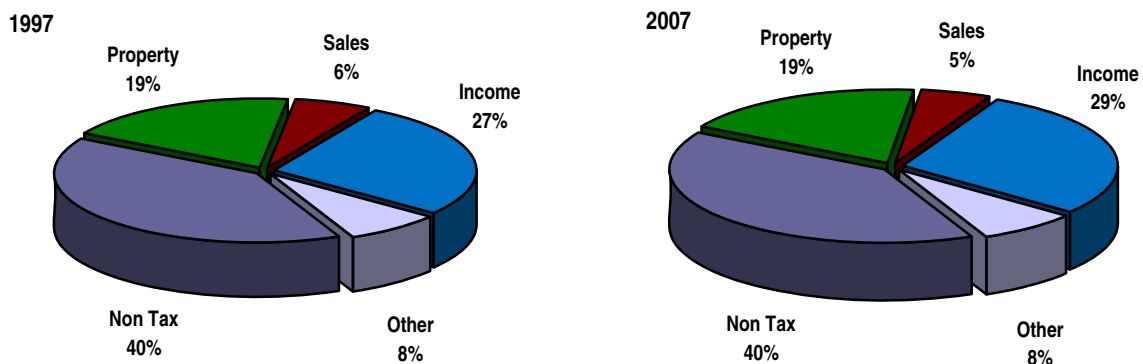
Recent Developments

- ▲ Contingent upon voter approval, will create a new top personal income tax rate, further limit the deduction for federal income taxes paid, create a new top corporate income tax rate, and raise corporate minimum taxes
- ▲ Adopted a reduced “exemption” credit for upper-income taxpayers

States Offering a Deduction for Federal Income Taxes Paid



Change in the Composition of Revenue



Source: U.S. Census Bureau, Government Finances