



# Lake Oswego School District

## Revenue Package (Measures 66 and 67) Q&A

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### What is the revenue package?

- Two bills that would raise some corporate and personal income taxes were passed during the last legislative session to support the state budget for programs and services, including K-12 education.
- These bills would raise \$733 million in revenue, which is included in the 2009-11 state budget to prevent further reductions to schools, healthcare and public safety. Approximately \$3 million of this revenue would be allocated to the Lake Oswego School District.
- By referendum, these bills are being referred to voters for consideration as Measures 66 and 67.

### When is the vote?

- The legislature has set a January 26, 2010 election date.
- A yes vote would enact the legislation.
- A no vote would not enact the legislation.

### How would personal income taxes be affected?

- For individuals with annual incomes above \$125,000 or joint filers with annual incomes above \$250,000, the measure would raise the state income tax rate by 1.8%-2.0% on income above those amounts.

*Source: Legislative Revenue Office Research Report #6-09, "Referendum 301 & 302 Revenue Measures," Page 7, September 2009*

### How would corporate income taxes be affected?

1. Corporate Income Tax: Corporations would pay an additional 1.3% on profits over \$250,000 in 2009 and 2010. That would be reduced to 1.0% in 2011 and 2012. Starting in 2013, the additional tax will be reduced to 1.0% on profits over \$10,000,000.
2. Corporate Minimum Tax: Two-thirds of corporations doing business in Oregon now pay an annual minimum tax of \$10. This bill would raise the corporate minimum tax to \$150 for corporations with revenues of less than \$500,000. Those with revenues of more than \$500,000 would pay a tiered minimum tax based on Oregon sales.

*Sources: "Oregon Corporate Excise and Income Tax", Oregon Department of Revenue, pages 3-14 and Legislative Revenue Office Research Report #6-09, "Referendum 301 & 302 Revenue Measures," Page 12, September 2009*

### What would be the impact on LOSD programs and services if Measures 66 and 67 were defeated, or if other revenue projections were not realized for 2010-11?

- The district's strategic planning efforts last year encompassed a range of scenarios including a worst case \$10.2 million gap for 2009-10.
- The actual funding gap for the current school year was \$7.2 million, based on passage of the revenue package by the legislature and the resulting state budget.
- Changes that were considered but were not necessary for the current school year included reduction of an additional 30 teaching positions (20 teaching positions were eliminated for 2009-10); major structural changes in school schedules, program offerings, class sizes, and organization for instruction; and closing the swimming pool for extended times during the year.

*Source: Superintendent's Program, Services, and Staffing Recommendations for 2009-10, LOSD, rev. 5/29/09*

- A shortfall in projected funding for the 2010-11 school year would require the district to revisit and reconsider as necessary the strategic planning scenarios that were developed last year.