



NEWS

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Fact of the Day #3: Franzoni and Firestone Out of Touch with Oregonians

-- A look at the data suggests that Oregon does not have a revenue problem, but a spending problem, yet Franzoni and Firestone refuse to rule out tax increases --

WASHINGTON, D.C. – Last year, Gov. Kulongoski and the legislature passed a massive \$800 million tax increase package, including higher rates on a broad range of taxes. Fortunately for taxpayers, the measure was soundly defeated by vote of the people on February 3, 2004.

Already at that time, there was substantial evidence that the real problem Oregon is facing is not a lack of funds, but a lack of fiscal discipline, as spending grew excessively since 1992.

- State spending rose by more than 4 times the inflation rate between 1992 and 2000. If money had been spent more responsibly, and spending grew at the inflation rate, state government would have saved \$1438 per person, or \$4.9 billion in 2000 alone.*
- Oregon is ranked #2 for growth in state spending over the 8 year period. Spending grew by 68.9% compared to an inflation rate of 16.4%. This colossal increase in spending is the cause of Oregon's budget woes.*

Pledge signers Rep. Linda Flores and Sen. Gary George have fought against higher taxes in the past, and voted against last year's package.

Their opponents, however, do not see the real problem, and refuse to commit to taxpayers' interests. Their position is an open invitation for the big spenders in Salem to try to come back for more. Hank Franzoni and Kathryn Firestone are clearly out of touch with Oregonians.

* Small Business Survival Committee, "Big Spending in the States: The True Source of State and Local Budget Woes." May 11, 2003.