

December 4, 2017 at 09:41PM

## DC turmoil slams Oregon

Plans for taxes, PERS upended by tax cut in Congress



Sen. Jeff Merkley, left, and Sen. Ron Wyden spoke at the Oregon Leadership Summit on Monday in Portland. (Gary A. Warner/Bulletin photo)  
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PORTLAND — The future of reform on taxes, PERS, transportation and a host of other state issues has been upended by uncertainty over a massive federal tax cut before Congress.

Presentation after presentation at the 15th annual Oregon Leadership Summit underlined that the future hinged in large part on what exactly happens if the U.S. Senate and House can agree on an approximately \$1 trillion tax cut. If the House and Senate can hammer out differences between two versions of the tax bill, President Donald Trump is expected to sign it into law.

Many lawmakers say the quick-march of the bill to beat the end of session deadline has meant few know what lies between the covers.

U.S. Sen. Ron Wyden, D-Ore., was among those who started the summit as a way to bring together government leaders and business people to discuss the changing economic landscape. He said nothing is more dangerous for Oregon today than the inability to have reliable, consistent policies coming out of Washington.

“There has never been anything like this,” said Wyden, the ranking Democrat on the Senate Finance Committee. “We have no idea what is in this bill and how it is going to play out.”

Wyden said the turmoil was made all the worse by worries that Trump will remove special counsel Robert Mueller, who is investigating possible ties between the Trump campaign last year and the Russian government. Any such move by Trump would create “a real constitutional crisis in America,” Wyden said.

U.S. Sen. Jeff Merkley, D-Ore., said he understood the dilemma facing state officials who have to parse the tax bill for how it affects everything from health care eligibility to college tuition waivers to deduction of state income taxes.

“We all expect each day to pinch ourselves and find we’ve been in a dream,” Merkley said.

U.S. Rep. Greg Walden, R-Hood River, a key member of Republican House leadership on health issues and a backer of the tax cut, was scheduled to speak on “Federal Issues Affecting Oregon” but canceled his appearance after the program had been distributed.

Gov. Kate Brown told the group she could not venture a guess on numbers regarding revenue given the tax changes in Washington.

“There were, what, 120 amendments just added?” she said.

Brown said that while Oregon was enjoying the fastest growth rate of any state in the country, structural budget problems mean the state would be grappling with budget deficits for years to come.

She noted that Oregon has the fourth-lowest business tax rate by one measure. She also said the Public Employees Retirement System — known as PERS — was gobbling up ever-expanding amounts of money that should be going to programs and hiring.

Brown, who said she has attended or spoken at 14 of the 15 Oregon Leadership Summits, said she could not hazard a guess on how much revenue will be needed because the full impact of the Trump administration policies won’t be known for several weeks.

Brown said the ultimate solution on PERS will be to get business, the state and labor together to fashion a compromise in which everyone makes sacrifices. She pointed to the model of the 10-year, \$5.3 billion transportation plan that was hammered out during the 2017 session of the Legislature by both parties in both chambers, along with the governor.

Unless interested parties have “some skin in the game,” Brown said, they are unlikely to come to bargain in a meaningful way.

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