

# Oregon Voters to Consider Approving Nation's First Universal Basic Income

The proposal is meeting stiff bipartisan resistance from elected officials and pushback from the business community.

Oregonians will vote in November on a controversial ballot measure that would give every resident, regardless of age or income, \$1,600 each year—as long as they live at least 200 days in the state.

A family of four would receive \$6,400 annually, with no strings attached. The money would be non-taxable and would not affect other benefits.

If voters approve Measure 118, the Universal Basic Income (UBI) program would be funded by a tax on the gross receipts of corporations that generate more than \$25 million in annual sales.

Oregon would be the first state to roll out such a comprehensive UBI.

As of June 2024, no U.S. states have a UBI program, though several states and cities have run pilot programs.

However, the “Oregon People’s Rebate” proposal is meeting with stiff bipartisan resistance from elected officials and pushback from the business community.

Oregon Rebate, the group backing the measure, says on its website that Measure 118 (previously known as IP 17) would increase minimum corporate taxes to 3 percent.

The organization claims that the “largest corporations” currently pay less than 1 percent in Oregon tax, while individual taxpayers pay between 5 and 10 percent.

Local small businesses would not be affected by the tax increase, it says, as the tax would only apply to corporations making more than \$25 million a year.

The Tax Foundation, a Washington D.C.-based think tank, disputes the claim that corporations pay less than 1 percent in Oregon taxes. It notes that the state already has “one of the highest business tax burdens in the country.”

In a [report on the measure](#), the foundation concludes that Oregon corporations pay a 7.6 percent [corporate income tax](#) and a 0.57 percent [gross receipts tax](#).

If they’re in the Portland area, they are subject to a 2.6 percent business license tax, a 2 percent business income tax, a 1 percent Supportive Housing Services Tax, and a 1 percent Clean Energy Surcharge, all of which are additional taxes on net income.

Oregon corporations pay taxes on profits and gross receipts (sales attributable to Oregon), making it one of only two states (the other is Delaware) that impose both types of taxes.

Oregon Rebate states that money provided by the measure would decrease overall poverty in the state by 36 percent, childhood poverty by 53 percent, and senior citizen poverty by 26 percent.

“More money in the pocket of Oregonians will boost our economy and mean more jobs, opportunities, and taxable revenue,” Oregon Rebate writes.

According to an Oregon [legislative fiscal analysis](#) published on July 23, households making less than \$40,000 won’t have any Oregon tax liability should the measure pass.

“The [payment] might sound good,” the Tax Foundation wrote, “but if it raises the cost of goods, drives jobs and economic activity out of state, and puts Oregon-based businesses at a massive disadvantage with their out-of-state competitors, it’s likely to be an awful deal for Oregonians.”

The measure has been endorsed by the United Auto Workers, Oregon Working Families, and the Oregon Progressive Party.

### **Bipartisan Opposition**

Despite increasing taxes significantly, the initiative would reduce the amount available to the general fund for K–12 education, health care, and human services, the legislative analysis concludes.

“The increase in this tax [on corporations] will reduce the availability of general fund resources due to its interactions with existing tax and transfer programs,” the analysis states.

Those conclusions led Oregon’s Democratic legislators, including House Speaker Julie Fahey, House Majority Leader Ben Bowman, Senate President Rob Wagner, and Senate Majority Leader Kathleen Taylor, to speak out against the proposed tax in a joint statement issued Aug. 13.

“As a matter of public policy, we believe this is a bad deal for Oregonians,” they wrote. “We ask Oregonians to take a closer look at Measure 118, and we ask you to join us in voting no.”

The Oregon Republican Caucus is also speaking out against the measure, calling it the “largest tax increase in Oregon history,” in an Aug. 7 statement.

The caucus said the measure is “another out-of-state, untested, and dangerous experiment” that “threatens our economic stability by driving up costs and reducing funding for essential services.”

“This is not the time to gamble Oregon’s future on socialist economic theories that could harm every Oregonian.”

Democrat Governor Tina Kotek also expressed her opposition to the measure, telling the Willamette Weekly that it would “punch a huge hole” in the state’s budget.

In 2023, the governor acknowledged that high taxes were impeding the state’s economic recovery and urged leaders not to seek any new taxes for the next three years.

The Oregon Taxpayers Association (OTA) spoke out strongly against the measure in its August newsletter, citing hospitals as tangible examples of its impact.

“The tax is on revenue and not on profit, so many companies that are losing money will still have to pay even if they teeter near bankruptcy,” it explained.

Operating revenues at Oregon Health Sciences University (OHSU), the state’s cornerstone medical institution, for instance, were \$2.5 billion for the six months ended Dec. 31, 2023, according to OHSU’s latest filing.

However, after expenses, OHSU incurred a \$26 million operating loss for those six months.

“Now comes a ballot measure that would [tax them](#) 3 percent on revenue,” explained OTA. “So even if a hospital is losing millions, it will have to pay for this new tax if it is passed by voters.”

### **Out-of-State Funding**

Like Oregon’s Measure 110, which decriminalized hard drugs in 2020 and has since been [rolled back](#), the campaign for Measure 118 is getting a boost from out-of-state money.

The campaign for Oregon’s UBI has received a number of donations from California progressives, including Josh Jones, a Los Angeles-area venture capitalist and outspoken proponent of universal basic income.

He contributed \$425,000 of the \$740,000 that Oregon Rebate used to get the measure on the ballot, according to Oregon Live.

Los Angeles-based Jones Parking Inc, put in \$95,000. Software engineer Gerald Huff's California-based [foundation](#) and his mother contributed a combined \$90,000.

Since the ballot measure qualified, the campaign opposition war chest is also growing.

Oregon Business and Industry (OBI), the state's leading business lobby organization, says it is putting more than \$500,000 into a political action committee to fight the measure.

Filings with the Oregon Secretary of State show that a political action committee campaign called Defeat the Costly Tax on Sales had \$5.8 million in contributions from grocery chains and other businesses.