Written by **<u>Bob Adelmann</u>** on July 18, 2017



## **Oregon Passes Resentment Tax: \$15 Per Bicycle**

Due to the perceived injustice inflicted on Oregon taxpayers last year, the state legislators evened the score last week when the members <u>passed a bill taxing bicycles</u>. The Democratically controlled legislature passed a bill in 2016 forcing drivers to pay 10 cents per gallon more for gasoline to fund road improvements. The cry then went up that bikers weren't paying their fair share.

When Democrat Governor Kate Brown signs the bill into law, every purchaser of a bike costing \$200 or more, with a wheel diameter of 26 inches or more, will pay a \$15 excise tax, making Oregon the only state in the country to levy such a tax.



Arguments that most bicyclists also owned cars and bought gasoline and therefore were already subject to the grasping government's new tax fell on deaf ears. Arguments that bikes caused minimum wear and tear on the roads also fell on deaf ears. So did pointing out that it was a de facto punishment for bicyclists commuting to work and thus "saving the environment." And also ignored was that such a bill might tarnish Oregon's reputation as one the country's most bicycle-friendly states (almost one out of every 14 commuters in Portland, for example, rides a bike to work).

In other words, it was a "resentment tax," passed by people wanting to even the score. Its silliness was expressed by Jonathan Maus, the publisher of *BikePortland*:

We are taxing the healthiest, most inexpensive, most environmentally friendly, most efficient and most economically sustainable form of transportation ever devised....

Congrats to Oregon on its preposterous bike tax that accomplishes no discernible transportation goal except dampening demand for new bikes.

There was some opposition to the bill, but it was drowned out by the chorus of Democrats seeking more ways to tax the state's residents. Included in the bill was another four-cents-per-gallon increase in the gas tax, an added \$16 fee for vehicle registration, a hike in the payroll tax, and a jump in the tax on new car sales.

The problem in Oregon is not only resentment but politics. As Oregon Republican Party Chairman Bill Currier noted, the bill reflects the desires of the Democrat-controlled legislature and governorship. He particularly noted the governor's "endless obsession with finding new and innovative ways to take money out of the pockets of Oregon taxpayers. She just continues to view the people of her state as nothing more than a piggy bank to fund her efforts to impose job-killing policies. Now add anti-healthy, environmentally-unfriendly policies to that list."

Indeed, Oregon is a dark blue state, having voted Democratic in every presidential election since 1988. It boasts both senators and four out of five representatives as Democrats.



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It also boasts a dismal ranking of 41st place in the 2016 ALEC-Laffer State Economic Competitiveness Index, thanks largely to its towering personal and corporate income tax extractions from its populace.

The contrast with Utah, another western state, is striking. In that same ALEC study, Utah ranks first, owing partly to its tax-friendly environment. (Its marginal tax rates are half those of Oregon's.) But it also reflects the vast difference in the political environment, as well. Utah is the reddest of red states and the single-most Republican-leaning state in the country in every presidential election from 1976 to 2004. It boasts Republican Senators (Orrin Hatch and Mike Lee) and three Republican representatives in Washington.

About the only thing positive that may be said about the new bike tax in Oregon is that it's estimated to be one of the more efficient ways to wring more revenue from taxpayers: it will cost just \$100,000 a year to implement the tax, expected to generate \$1.2 million in new revenues. That's a 12:1 return on investment. Other than that, the "preposterous" bike tax reflects the worldview of Democrats in the state that it's okay to tax anything that moves — even if what moves is healthy and environmentally friendly.

Photo of bikers: Clipart.com

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