

Section 1. Historical Trends

This section presents data for the 1997 tax year and previous years for comparison purposes. In making year-to-year comparisons, tax law changes should be taken into account. Appendix I provides a synopsis of tax law changes affecting tax years 1980 through 1997.

Total Oregon Tax Revenue and Adjusted Gross Income

For the 1997 tax year, Oregon personal income tax revenue was \$834.6 million higher than in 1996, an increase of 32.1 percent. Without the \$436.5 million surplus refund returned to taxpayers, 1996 personal income tax revenue would have been \$3.0 billion, and 1997 revenue would have been \$398.2 million, or 13.1 percent, higher than 1996.

Exhibit 1 shows a history of Oregon personal income tax revenue from 1980 to 1997. Over that period, revenues have grown every year except 1985, 1987, and 1996, although growth rates have varied dramatically from year to year. Tax rate reductions as well as surplus refunds contributed to the decline in revenues in 1985 and 1987. In 1985 a 0.8 percent surcharge that was imposed in 1982 was eliminated, and in 1987 rates were further reduced by 1.0 percentage point and the number of tax brackets was reduced from seven to three. In 1996 the large surplus refund alone was responsible for the decline in personal income tax revenue from the 1995 level.

Much of the volatility in growth rates is attributable to the “two percent kicker” law. Under this law, passed in 1979, all General Fund money is divided into two pots: corporate taxes and all other revenues. If actual General Fund revenues in either pot come in more than two percent higher than was forecast at the time the biennium budget was adopted, all the money in that pot in excess of the close of session forecast, including the two percent trigger, is returned to taxpayers: the corporate surplus to corporate income taxpayers and the “all other” surplus to personal income taxpayers. These refunds are called “surplus refunds.”

Surplus refunds for the 1985, 1987, and 1989 biennia were returned to personal income taxpayers through tax credits on the tax return for the second year of the biennium. For the 1991 tax year, a credit of approximately 10 percent would have returned about \$200 million to taxpayers, but the legislature suspended the credit for that year. Personal income tax revenue for the 1991–93 biennium was \$18 million (0.4 percent) lower than was forecast for the biennium, so the kicker was not triggered.

The 1995 Legislature changed the law governing the method of returning unanticipated surplus revenue to per-

sonal income taxpayers. In December 1995 taxpayers entitled to a surplus refund received checks in the mail based on their 1994 returns, rather than credits on their 1995 tax returns. In November 1997, checks for surplus refunds were mailed to taxpayers who paid 1996 taxes.

Exhibit 1 shows total personal income tax revenue from 1980 to 1997. As shown by the last two columns of Exhibit 1, in the absence of the two percent kicker, Oregon would have experienced a much less volatile revenue stream from the personal income tax. The final column shows revenue growth in the absence of the two percent kicker. Revenue grew relatively slowly in 1990 and 1991 after very rapid growth in 1988 and 1989. The slowing of revenue growth was a consequence of the sluggish growth in employment and incomes in 1990 and 1991. In 1992, growth accelerated again, to 9.8 percent over the prior year. In 1993, growth remained strong, with revenue growing 9.4 percent. In 1994, growth slowed to 7.2 percent and then accelerated to 9.3 percent in 1995, 10.6 percent in 1996, and 13.1 percent in 1997.

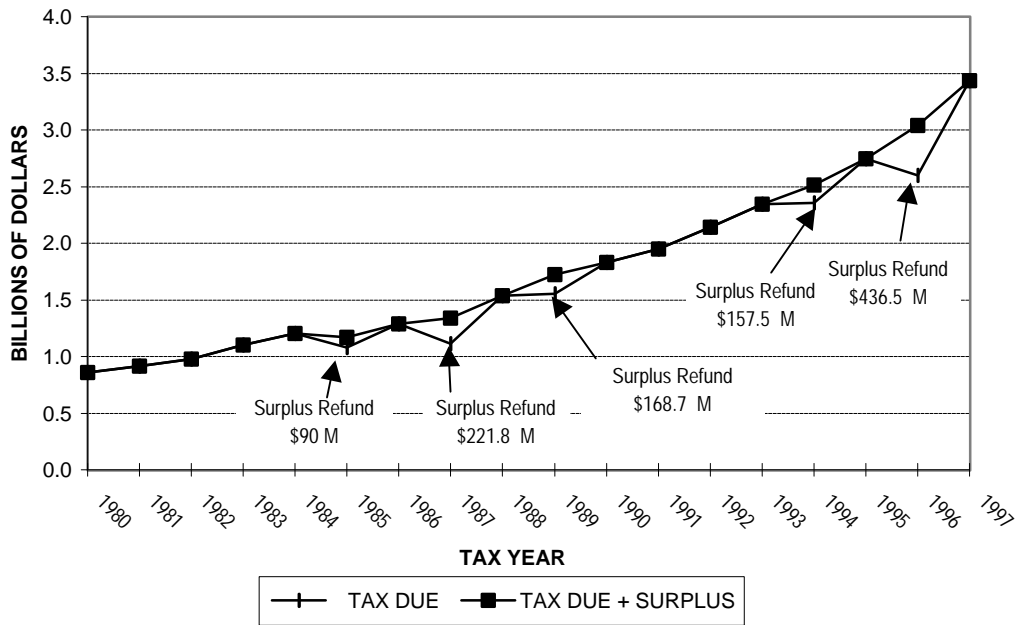
Exhibit 2 shows that the pattern of adjusted gross income growth is similar to that of revenue growth. After rapid growth in the mid to late 1980s, growth slowed in the early 1990s, falling sharply from 8.2 percent in 1990 to 3.8 percent in 1991. The rate of growth jumped back up to 7.7 percent in 1992, slowed slightly to 7.5 percent in 1993, and to 6.2 percent in 1994. Starting in 1995, adjusted gross income again grew rapidly, increasing by 8.9 percent in 1995, 9.7 percent in 1996, and 11.7 percent in 1997.

Personal Income Tax Information and Economic Indicators

Exhibit 3 presents Oregon personal income tax information and selected economic and demographic indicators from 1987 to 1997. This information is useful in relating changes in economic activity to changes in revenue.

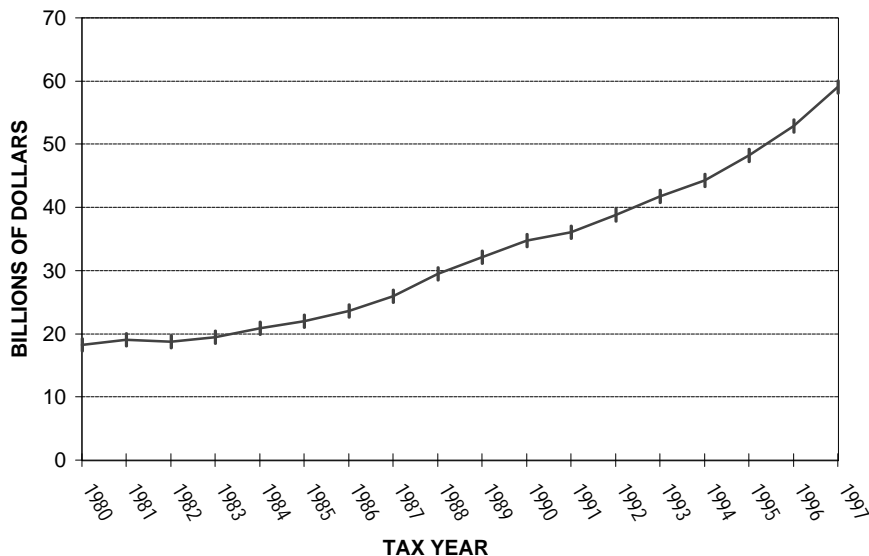
Oregon’s population, as estimated by the Center for Population Research and Census at Portland State University, grew 1.1 percent in 1997, a slowing of growth from recent years. About 70 percent of the population growth resulted from migration into Oregon. Between 1996 and 1997, the number of Oregon tax returns filed increased 2.8 percent, with the 4.1 percent growth in the number of part-year and non-resident returns exceeding the 2.7 percent growth in the number of full-year returns. Nonagricultural employment grew by 3.5 percent in 1997, down from the 4.0 percent increase in 1996. The adjusted gross income of full-year Oregon filers grew by 11.0 percent in 1997, after growing 9.4 percent in 1996.

**EXHIBIT 1
PERSONAL INCOME TAX REVENUE
BEFORE AND AFTER SURPLUS REFUND**



YEAR	Total Tax Due (\$000)	Percent Change	Surplus Refund (\$000)	Surplus Refund Percentage	Before Surplus Refund (\$000)	Percent Change
1980	859,599		NA	NA	859,599	
1981	912,628	6.2%	NA	NA	912,628	6.2%
1982	976,026	6.9%	NA	NA	976,026	6.9%
1983	1,102,109	12.9%	NA	NA	1,102,109	12.9%
1984	1,204,360	9.3%	NA	NA	1,204,360	9.3%
1985	1,078,151	-10.5%	90,013	7.7%	1,168,164	-3.0%
1986	1,287,536	19.4%	NA	NA	1,287,536	10.2%
1987	1,114,519	-13.4%	221,824	16.6%	1,336,343	3.8%
1988	1,539,349	38.1%	NA	NA	1,539,349	15.2%
1989	1,552,999	0.9%	168,726	9.8%	1,721,725	11.8%
1990	1,831,472	17.9%	NA	NA	1,831,472	6.4%
1991	1,950,232	6.5%	NA	NA	1,950,232	6.5%
1992	2,142,329	9.8%	NA	NA	2,142,329	9.8%
1993	2,344,233	9.4%	NA	NA	2,344,233	9.4%
1994	2,356,720	0.5%	157,466	6.27%	2,514,185	7.2%
1995	2,747,261	16.6%	NA	NA	2,747,261	9.3%
1996	2,601,625	-5.3%	436,468	14.37%	3,038,093	10.6%
1997	3,436,272	32.1%	NA	NA	3,436,272	13.1%

EXHIBIT 2
TOTAL ADJUSTED GROSS INCOME
ALL RETURNS 1980 TO 1997



Tax Year	Adjusted Gross Income (\$000)	Percent Change
1980	18,229,091	7.5%
1981	19,044,675	4.5%
1982	18,776,721	-1.4%
1983	19,441,574	3.5%
1984	20,901,802	7.5%
1985	22,016,229	5.3%
1986	23,634,636	7.4%
1987	25,981,140	9.9%
1988	29,468,040	13.4%
1989	32,076,903	8.9%
1990	34,702,435	8.2%
1991	36,031,094	3.8%
1992	38,816,694	7.7%
1993	41,708,590	7.5%
1994	44,295,925	6.2%
1995	48,231,919	8.9%
1996	52,890,405 *	9.7%
1997	59,077,357	11.7%

* 1996 adjusted gross income has been revised from the amount reported in the 1996 report.

EXHIBIT 3. OREGON PERSONAL INCOME TAX INFORMATION AND SELECTED ECONOMIC INDICATORS, 1987-1997
(ANNUAL LEVELS AND PERCENTAGE CHANGE FROM PRECEDING YEAR)

Year	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Total Returns	1,155,975 3.4	1,219,529 5.5	1,271,045 4.2	1,304,122 2.6	1,323,687 1.5	1,352,559 2.2	1,381,832 2.2	1,420,871 2.8	1,467,014 3.2	1,519,984 3.6	1,563,139 2.8
Full-year Returns:	1,050,218 3.1	1,104,981 5.2	1,146,127 3.7	1,176,920 2.7	1,194,895 1.5	1,211,927 1.4	1,235,970 2.0	1,267,485 2.5	1,302,656 2.8	1,345,533 3.3	1,381,479 2.7
* Total AGI (millions)	24,662 9.3	27,740 12.5	30,292 9.2	32,597 7.6	34,047 4.4	36,526 7.3	39,184 7.3	41,545 6.0	45,113 8.6	49,368 *** 9.4	54,821 11.0
* Total Tax Due (thousands)	1,054,352 -13.9	1,452,119 37.7	1,461,188 0.6	1,719,739 17.7	1,835,046 6.7	2,013,765 9.7	2,203,542 9.4	2,207,612 0.2	2,569,222 16.4	2,425,176 (5.6)	3,184,501 31.3
* Average AGI (dollars)	23,483 6.0	25,105 6.9	26,430 5.3	27,697 4.8	28,494 2.9	30,139 5.8	31,703 5.2	32,777 3.4	34,632 5.7	36,690 *** 5.9	39,683 8.2
* Average Tax Due (dollars)	1,004 -16.5	1,314 30.9	1,275 -3.0	1,461 14.6	1,536 5.1	1,662 8.2	1,783 7.3	1,742 -2.3	1,972 13.2	1,802 (8.6)	2,305 27.9
* Average Refund (dollars)	515 56.5	265 -48.5	333 25.7	313 -6.0	315 0.6	339 7.6	369 8.8	385 4.3	406 5.5	445 9.6	476 7.0
Personal Income (millions)	38,675 5.0	42,026 8.7	45,768 8.9	49,879 9.0	52,389 5.0	55,763 6.4	59,640 7.0	63,309 6.2	67,908 7.3	73,156 7.7	77,579 6.0
Oregon Tax Due as a Percent o Personal Income **	2.9%	3.7%	3.4%	3.7%	3.7%	3.8%	3.9%	3.7%	4.0%	3.6%	4.4%
Wage & Salary Income (millions)	21,428 7.1	23,494 9.5	25,479 8.4	27,706 8.7	28,975 4.6	30,967 6.9	32,776 6.0	35,226 7.5	38,147 8.3	41,465 8.7	44,967 8.4
Portland CPI (1982-84=100)	110.9 2.5	114.8 3.5	120.5 5.0	127.4 5.7	133.8 5.1	139.9 4.5	144.7 3.5	148.9 2.9	153.2 2.9	158.6 3.5	164.1 3.4
Nonag. Employment (thousands)	1,099.5 3.9	1,155.8 5.1	1,209.2 4.6	1,244.6 3.5	1,244.7 0.0	1,267.4 1.8	1,308.3 3.2	1,362.9 4.2	1,418.3 4.1	1,474.7 4.0	1,526.4 3.5
Population (thousands)	2,690 1.1	2,741 1.9	2,791 1.8	2,842 2.3	2,930 2.6	2,979 1.7	3,038 2.0	3,082 1.4	3,132 1.6	3,181 1.6	3,217 1.1
Unemployment Rate (%)	6.2	5.8	5.7	5.5	6.0	7.5	7.2	5.4	4.8	5.9	5.8

* Full-year Returns

** All Returns

*** 1996 adjusted gross income has been revised from the amount reported in the 1996 report.

Distributions by Adjusted Gross Income Level

Exhibit 4 presents average tax due and effective tax rates by adjusted gross income level from 1987 to 1997 for full-year resident filers. Tax due is the amount of tax liability after subtracting credits and surplus refunds. The effective tax rate is tax due as a percent of adjusted gross income.

Starting in 1993, Oregon indexed its income tax brackets to inflation to prevent taxpayers from being forced into higher brackets simply by inflation. The effect of this change has been to reduce or eliminate the growth in the effective tax rate. Due to the large surplus refund, the 1996 average tax due and effective tax rates were lower in all positive income levels than for any year since 1991.

Exhibit 5 illustrates that the distributions of number of full-year returns and tax due shifted into higher income categories between 1996 and 1997, continuing a trend seen throughout the 1980s and 1990s as prices and incomes increased. The percentage of taxpayers in the \$40,000 to \$50,000 income category remained the same in 1997 as in 1996. The percentages in positive income categories under \$40,000 declined, while the percentage in categories over \$50,000 increased. The percentage of tax liability was less in 1997 than in 1996 for each positive income category under \$60,000, and higher for each of the two highest income categories. Just 5.4 percent of full-year returns reported adjusted gross income of \$100,000 or more, but these taxpayers incurred 38.1 percent of the total tax liability. An additional 12.1 percent of the 1997 full-year returns reported income of between \$60,000 and \$100,000 and paid 23.7 percent of the 1997 taxes.

As shown in Exhibit 6, the share of positive adjusted gross income reported on full-year returns fell at low and middle income levels, and rose at income levels above \$60,000. In 1997, filers in the top two categories, \$60,000 and above, reported total positive adjusted gross income of \$29.1 billion, or 53 percent of total positive adjusted gross income, up from \$24.1 billion (48 percent) in 1996. Filers in the \$100,000 and over income category reported \$16.5 billion, while those in the \$60,000 to \$100,000 category reported \$12.5 billion.

Sources of Income

Exhibit 7 displays sources of income and adjustments to income reported on full-year returns for tax years 1987 to 1997. Adjustments are items listed on federal Forms 1040 and 1040A that are subtracted from total income to compute adjusted gross income. Tables D1 through D10 and E1 through E3 in Section 4 provide more detailed breakdowns of income sources and adjustments by adjusted gross income levels.

Wages, salaries, and tips are the primary sources of income for Oregon taxpayers, comprising 65.6 percent of

adjusted gross income in 1997. This share has fallen substantially from its 1987 level of 73.4 percent. The declining share of adjusted gross income coming from wages and salaries is due to much slower growth in wage and salary income than in income from pensions; property sales (capital gains); and rent, partnership, and S-corporation sources.

Part-year Residents

Oregon's population has grown rapidly in recent years. According to the Center for Population Research and Census at Portland State University, Oregon had a net in-migration of roughly 385,000 people from 1987 to 1997. This high level of in-migration has resulted from an expanding economy that has attracted people to Oregon. In contrast, during the slow economic growth of the early to mid-1980s, net migration to Oregon was negative, with over 26,000 residents leaving the state between 1982 and 1986.

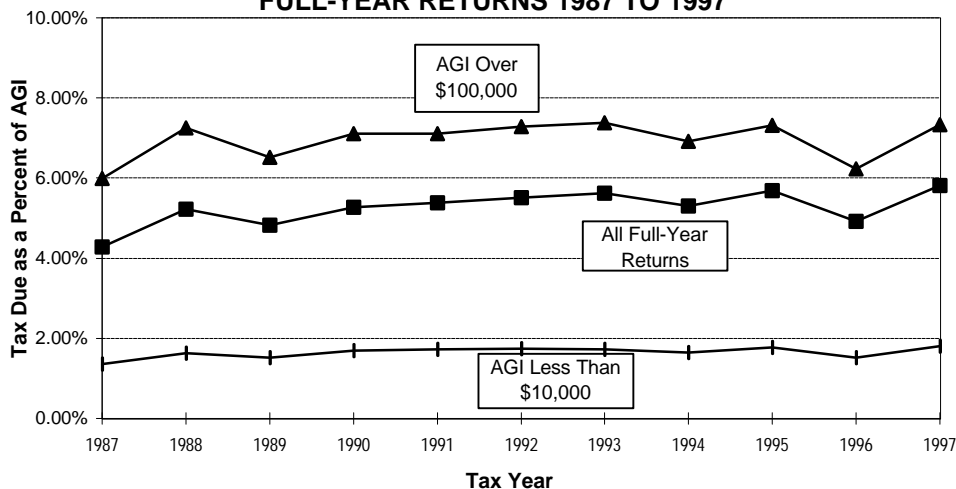
Exhibits 8, 9, and 10 give information about part-year residents entering or leaving Oregon based on the addresses on their Oregon tax returns. Exhibit 8 shows the total number of taxpayer households moving to and from Oregon in selected years from 1981 through 1997. During the recession of the early 1980s, more taxpayers left Oregon than entered the state. In 1981, the net out-migration was almost 4,000. Beginning in 1985, the trend reversed, and about 450 more households moved into Oregon than left the state. In 1995, the net number of households moving to Oregon exceeded 13,000, then fell to 7,874 in 1997.

Exhibit 9 shows the number and percent of in-migrants by county of destination. In 1997, as in previous years, in-migrants were drawn to counties roughly in proportion to existing county populations. The three counties comprising the Portland metropolitan area, Multnomah, Washington, and Clackamas, have over 40 percent of the state's population and attracted over 50 percent of the in-migrants. An additional 9.6 percent chose Lane county as their destination.

Exhibit 10 shows the number of income tax filers moving from Oregon in selected years from 1981 to 1997 by state of destination. Taxpayers moved from Oregon in 1997 to all 49 other states; Washington, D.C.; Guam; Puerto Rico; the Virgin Islands; and to other countries. The most frequent destinations were the nearby states of Washington, California, and Idaho, which attracted 53 percent of all out-migrants. Arizona was also a popular destination, attracting nearly 6 percent of out-migrants.

Section 5 contains tables providing detailed information for part-year filers as well as information for non-resident filers.

**EXHIBIT 4
EFFECTIVE TAX RATES
FULL-YEAR RETURNS 1987 TO 1997**



Average Tax Due:

AGI Level (\$000)	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Negative	8	6	10	12	20	9	6	26	11	9	15
0 - 10	68	81	76	85	87	88	88	83	90	77	92
10 - 20	439	526	478	523	519	514	509	477	510	435	488
20 - 30	947	1,130	1,030	1,111	1,128	1,134	1,132	1,064	1,133	968	1,112
30 - 40	1,474	1,755	1,611	1,734	1,774	1,777	1,775	1,667	1,762	1,495	1,740
40 - 50	2,050	2,435	2,232	2,391	2,461	2,465	2,466	2,312	2,438	2,063	2,386
50 - 60	2,670	3,170	2,895	3,103	3,193	3,194	3,199	2,978	3,130	2,650	3,059
60 - 100	3,821	4,590	4,185	4,508	4,588	4,630	4,675	4,355	4,606	3,918	4,536
100+	11,059	14,606	12,858	13,936	13,441	14,239	15,498	14,417	15,382	13,509	16,214
All Return	1,004	1,314	1,275	1,461	1,536	1,662	1,783	1,742	1,972	1,802	2,305

Effective Tax Rate (Tax Due as a Percent of Adjusted Gross Income):

AGI Level (\$000)	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Negative	-0.02 %	-0.01 %	-0.03 %	-0.03 %	-0.05 %	-0.02 %	-0.01 %	-0.06 %	-0.03 %	-0.02 %	-0.03 %
0 - 10	1.35	1.63	1.52	1.70	1.72	1.74	1.73	1.64	1.78	1.52	1.81
10 - 20	2.98	3.57	3.24	3.55	3.52	3.49	3.46	3.24	3.45	2.94	3.29
20 - 30	3.83	4.57	4.17	4.50	4.57	4.59	4.58	4.31	4.59	3.91	4.50
30 - 40	4.26	5.06	4.64	4.99	5.10	5.10	5.10	4.79	5.06	4.30	5.00
40 - 50	4.60	5.47	5.00	5.36	5.51	5.52	5.52	5.17	5.45	4.61	5.33
50 - 60	4.90	5.82	5.31	5.69	5.85	5.85	5.86	5.45	5.72	4.84	5.58
60 - 100	5.24	6.27	5.70	6.14	6.24	6.28	6.32	5.87	6.18	5.24	6.04
100+	5.99	7.26	6.52	7.11	7.11	7.28	7.38	6.91	7.32	6.24	7.33
All Return	4.28 %	5.23 %	4.82 %	5.27 %	5.39 %	5.51 %	5.62 %	5.31 %	5.69 %	4.91 %	5.81 %

Note: 1996 adjusted gross income has been revised from the amount report in the 1996 report.

EXHIBIT 5. DISTRIBUTION OF NUMBER OF FILERS AND TAX DUE BY AGI LEVEL FULL-YEAR RETURNS 1987 TO 1997

Percentage Distribution of Number of Full-Year Returns:

AGI Level (\$000)	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Negative	0.9 %	0.8 %	0.7 %	0.7 %	0.8 %	0.7 %	0.7 %	0.7 %	0.8 %	0.8 %	0.8 %
0 - 10	31.1	30.4	28.9	27.6	26.4	25.3	24.8	24.3	23.2	22.5	21.1
10 - 20	23.3	22.8	22.7	22.4	22.3	22.0	21.8	21.4	21.0	20.3	19.6
20 - 30	16.9	16.4	16.1	16.0	15.9	15.7	15.4	15.2	15.1	14.9	14.8
30 - 40	11.7	11.7	11.8	11.7	11.7	11.6	11.4	11.3	11.2	11.1	11.0
40 - 50	6.9	7.4	7.8	8.1	8.4	8.6	8.6	8.5	8.6	8.6	8.6
50 - 60	3.9	4.3	4.6	5.0	5.3	5.7	5.9	6.1	6.4	6.5	6.7
60 - 100	4.0	4.6	5.3	6.1	6.8	7.7	8.3	9.1	9.9	10.8	12.1
100+	1.4	1.7	2.0	2.2	2.4	2.8	3.1	3.4	4.0	4.5	5.4
All Returns	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Percentage Distribution of Tax Due:

AGI Level (\$000)	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Negative	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
0 - 10	2.1	1.9	1.7	1.6	1.5	1.3	1.2	1.2	1.1	1.0	0.8
10 - 20	10.2	9.1	8.5	8.0	7.6	6.8	6.2	5.9	5.4	4.9	4.1
20 - 30	16.0	14.1	13.0	12.2	11.7	10.7	9.8	9.3	8.7	8.0	7.1
30 - 40	17.1	15.6	14.9	13.9	13.6	12.4	11.4	10.8	10.0	9.2	8.3
40 - 50	14.1	13.7	13.6	13.3	13.4	12.7	11.9	11.3	10.6	9.8	8.9
50 - 60	10.3	10.3	10.5	10.7	11.1	11.0	10.6	10.4	10.1	9.6	8.9
60 - 100	15.1	16.2	17.5	18.9	20.4	21.4	21.7	22.7	23.2	23.5	23.7
100+	15.1	19.2	20.2	21.4	20.9	23.7	27.2	28.5	31.0	34.0	38.1
All Returns	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

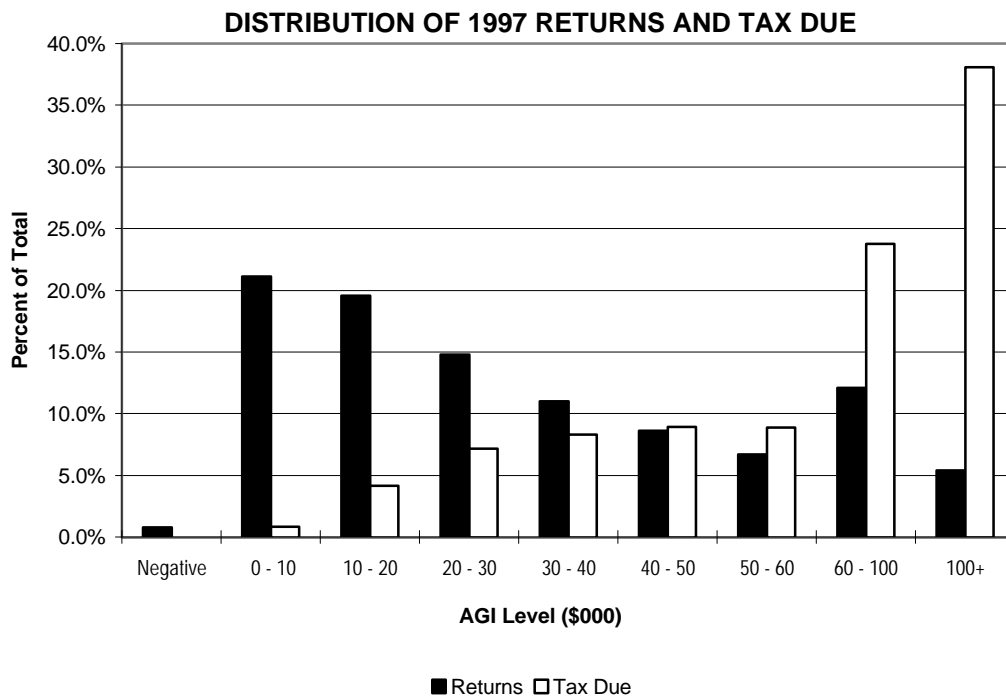


EXHIBIT 6. DISTRIBUTION OF POSITIVE ADJUSTED GROSS INCOME BY AGI LEVEL FULL-YEAR RETURNS 1987 TO 1997

Distribution of Positive Adjusted Gross Income (\$ millions):

AGI Level (\$000)	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
0 - 10	1,639	1,665	1,652	1,630	1,595	1,558	1,558	1,561	1,529	1,527	1,485
10 - 20	3,604	3,704	3,830	3,889	3,933	3,934	3,960	3,998	4,037	4,048	4,012
20 - 30	4,397	4,473	4,573	4,651	4,678	4,685	4,699	4,753	4,854	4,960	5,055
30 - 40	4,245	4,473	4,704	4,802	4,881	4,872	4,908	4,968	5,059	5,186	5,284
40 - 50	3,242	3,640	3,974	4,261	4,460	4,640	4,757	4,838	5,010	5,177	5,321
50 - 60	2,210	2,570	2,893	3,237	3,484	3,777	3,985	4,222	4,534	4,796	5,055
60 - 100	3,040	3,746	4,482	5,305	5,990	6,871	7,566	8,524	9,636	10,889	12,513
100+	2,660	3,835	4,520	5,165	5,387	6,552	8,130	9,109	10,866	13,211	16,546
Total	25,037	28,106	30,627	32,940	34,407	36,890	39,563	41,975	45,524	49,794	55,271

Percentage Distribution of Positive Adjusted Gross Income:

AGI Level (\$000)	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
0 - 10	6.5 %	5.9 %	5.4 %	4.9 %	4.6 %	4.2 %	3.9 %	3.7 %	3.4 %	3.1 %	2.7 %
10 - 20	14.4	13.2	12.5	11.8	11.4	10.7	10.0	9.5	8.9	8.1	7.3
20 - 30	17.6	15.9	14.9	14.1	13.6	12.7	11.9	11.3	10.7	10.0	9.1
30 - 40	17.0	15.9	15.4	14.6	14.2	13.2	12.4	11.8	11.1	10.4	9.6
40 - 50	12.9	12.9	13.0	12.9	13.0	12.6	12.0	11.5	11.0	10.4	9.6
50 - 60	8.8	9.1	9.4	9.8	10.1	10.2	10.1	10.1	10.0	9.6	9.1
60 - 100	12.1	13.3	14.6	16.1	17.4	18.6	19.1	20.3	21.2	21.9	22.6
100+	10.6	13.6	14.8	15.7	15.7	17.8	20.5	21.7	23.9	26.5	29.9
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

DISTRIBUTION OF POSITIVE ADJUSTED GROSS INCOME 1987 and 1997

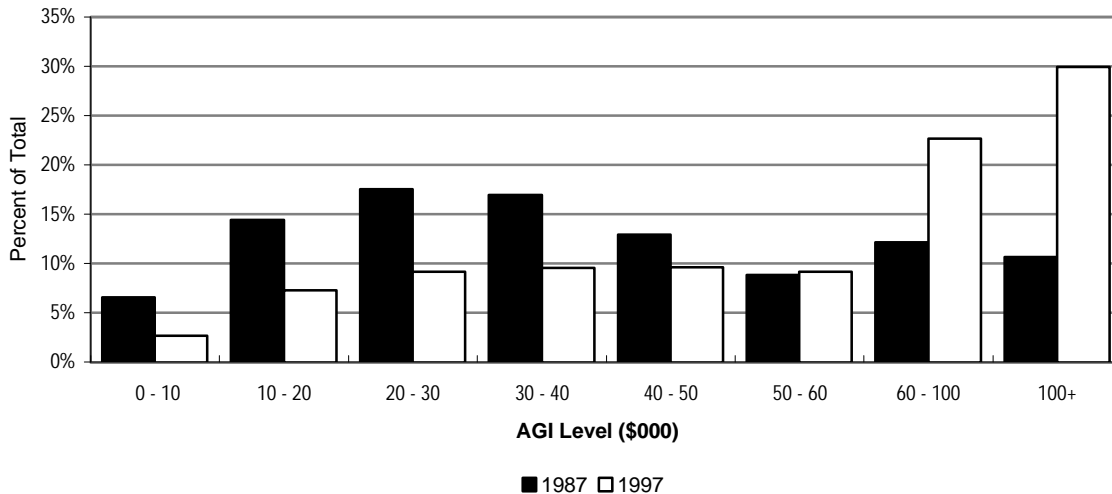


EXHIBIT 7. SOURCES OF ADJUSTED GROSS INCOME FULL-YEAR RETURNS 1987 THROUGH 1997

Source of Income (millions of dollars)	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	Change: 1996 to 1997	
												Amount	%
Wages, Salaries, Tips	18,090	19,720	21,300	22,993	24,195	25,867	27,317	29,004	31,036	33,546	35,958	2,411	7.2
Taxable Dividends & Interest	2,290	2,502	2,862	3,023	2,891	2,547	2,450	2,418	2,923	3,142	3,299	156	5.0
Net Business Income	1,133	1,414	1,600	1,764	1,788	1,993	2,094	2,197	2,264	2,345 **	2,416	71	3.0
Property Sales (Capital Gains)	1,015	1,018	1,224	1,183	1,172	1,450	2,109	1,970	2,178	2,913	4,127	1,214	41.7
Taxable Pensions	1,461	1,720	1,906	2,164	2,444	2,654	2,863	3,223	3,585	3,944	4,666	722	18.3
Rent, Partnership, S-Corp	416	800	953	1,095	1,171	1,510	1,949	2,221	2,313	2,591	2,887	296	11.4
Net Farm Income	-91	-55	-55	-67	-91	-92	-133	-159	-174	-173	-180	-7	4.1
Other Income	655	939	797	877	927	1,063	1,031	1,173	1,527	1,625	2,257	632	38.9
* Adjustments	-307	-319	-294	-434	-450	-464	-497	-502	-540	-566	-609	-44	7.7
Total Adjusted Gross Income	<u>24,662</u>	<u>27,740</u>	<u>30,292</u>	<u>32,597</u>	<u>34,048</u>	<u>36,527</u>	<u>39,184</u>	<u>41,545</u>	<u>45,113</u>	<u>49,368 **</u>	<u>54,821</u>	<u>5,453</u>	<u>11.0</u>

Composition (%)	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	Change: 1996 to 1997	
												Amount	%
Wages, Salaries, Tips	73.4%	71.1%	70.3%	70.5%	71.1%	70.8%	69.7%	69.8%	68.8%	68.0%	65.6%	-2.36	
Taxable Dividends & Interest	9.3%	9.0%	9.4%	9.3%	8.5%	7.0%	6.3%	5.8%	6.5%	6.4%	6.0%	-0.35	
Net Business Income	4.6%	5.1%	5.3%	5.4%	5.3%	5.5%	5.3%	5.3%	5.0%	4.7%	4.4%	-0.34	
Property Sales (Capital Gains)	4.1%	3.7%	4.0%	3.6%	3.4%	4.0%	5.4%	4.7%	4.8%	5.9%	7.5%	1.63	
Taxable Pensions	5.9%	6.2%	6.3%	6.6%	7.2%	7.3%	7.3%	7.8%	7.9%	8.0%	8.5%	0.52	
Rent, Partnership, S-Corp	1.7%	2.9%	3.1%	3.4%	3.4%	4.1%	5.0%	5.3%	5.1%	5.2%	5.3%	0.02	
Net Farm Income	-0.4%	-0.2%	-0.2%	-0.2%	-0.3%	-0.3%	-0.3%	-0.4%	-0.4%	-0.3%	-0.3%	0.02	
Other Income	2.7%	3.4%	2.6%	2.7%	2.7%	2.9%	2.6%	2.8%	3.4%	3.3%	4.1%	0.83	
* Adjustments	-1.2%	-1.1%	-1.0%	-1.3%	-1.3%	-1.3%	-1.3%	-1.2%	-1.2%	-1.1%	-1.1%	0.03	
Total AGI	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>		

* Adjustments to total income from federal Form 1040 or 1040A which are subtracted from income to compute adjusted gross income (AGI).

** 1996 business income and adjusted gross income have been revised from the amounts reported in the 1996 report.

EXHIBIT 8: TAXPAYERS MOVING TO AND FROM OREGON NUMBER OF PART-YEAR TAX RETURNS FILED IN SELECTED YEARS

	1981	1985	1989	1993	1994	1995	1996	1997
Taxpayers Moving to Oregon	23,749	11,064	34,170	33,728	36,559	38,619	39,845	39,559
Taxpayers Moving from Oregon	27,676	10,616	21,330	22,565	23,779	25,482	28,715	31,685
Net	-3,927	448	12,840	11,163	12,780	13,137	11,130	7,874

NUMBER OF PART-YEAR TAX RETURNS FILED

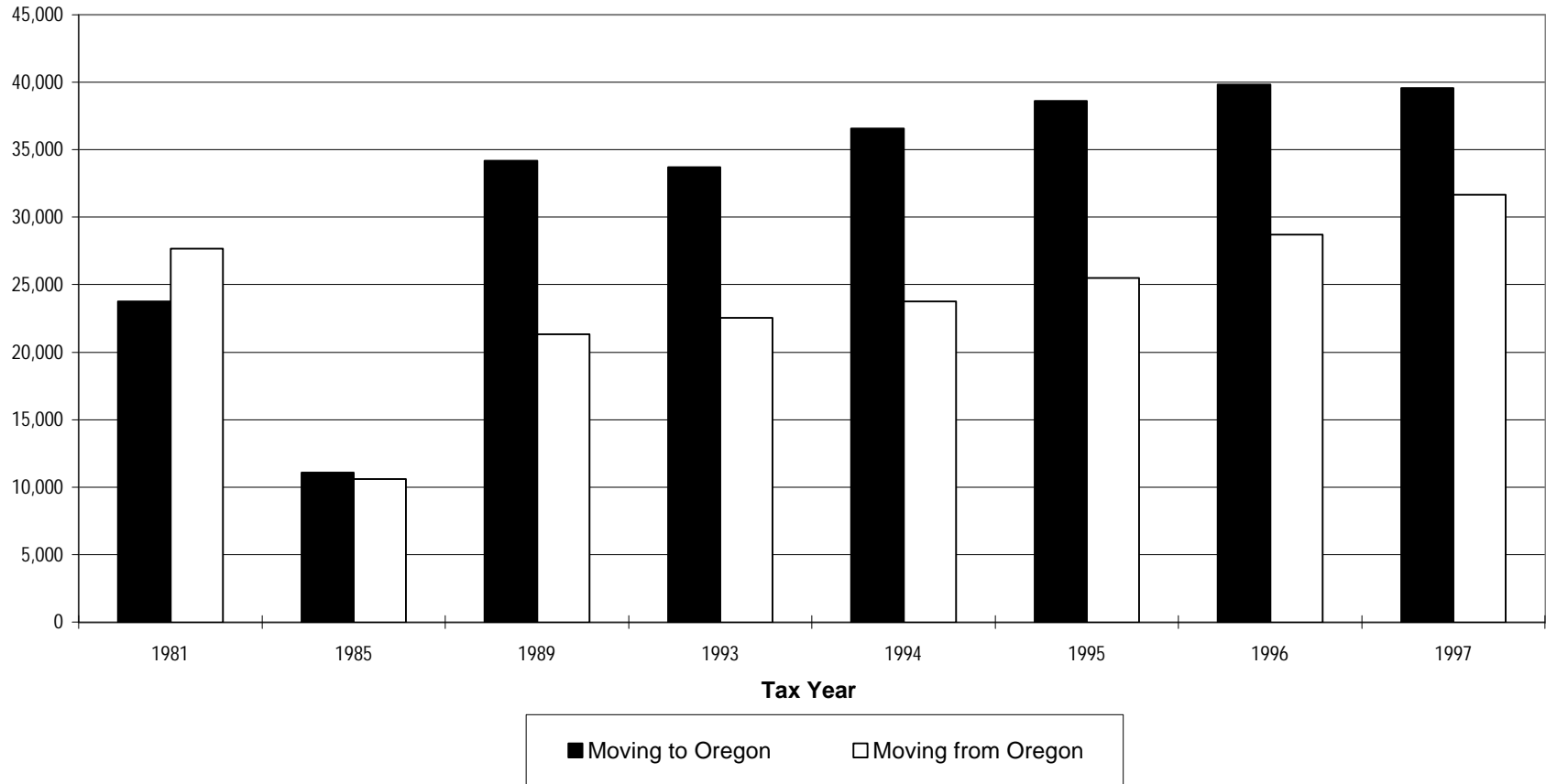


EXHIBIT 9: NUMBER OF INCOME TAX FILERS MOVING TO OREGON, BY COUNTY OF DESTINATION

COUNTY	1981		1985		1989		1993		1994		1995		1996		1997		199/ COUNTY SHARE OF STATE POPULATION
	NUMBER	PERCENT OF TOTAL	NUMBER	PERCENT OF TOTAL	NUMBER	PERCENT OF TOTAL	NUMBER	PERCENT OF TOTAL	NUMBER	PERCENT OF TOTAL	NUMBER	PERCENT OF TOTAL	NUMBER	PERCENT OF TOTAL	NUMBER	PERCENT OF TOTAL	
BAKER	159	0.7%	50	0.5%	191	0.6%	140	0.4%	167	0.4%	161	0.4%	163	0.4%	160	0.4%	0.5%
BENTON	973	4.1%	337	3.0%	916	2.7%	1,102	3.3%	1,116	2.9%	1,108	2.9%	1,111	2.8%	1,000	2.5%	2.4%
CLACKAMAS	1,876	7.9%	855	7.7%	3,001	8.8%	3,131	9.3%	3,511	9.6%	3,701	9.6%	3,910	9.8%	3,522	8.9%	9.9%
CLATSOP	254	1.1%	156	1.4%	372	1.1%	374	1.1%	368	0.9%	353	0.9%	376	0.9%	347	0.9%	1.1%
COLUMBIA	238	1.0%	87	0.8%	352	1.0%	260	0.8%	311	0.9%	342	0.9%	343	0.9%	362	0.9%	1.3%
COOS	419	1.8%	148	1.3%	562	1.6%	538	1.6%	576	1.3%	513	1.3%	454	1.1%	566	1.4%	1.9%
CROOK	79	0.3%	37	0.3%	129	0.4%	126	0.4%	135	0.3%	130	0.3%	129	0.3%	114	0.3%	0.5%
CURRY	200	0.8%	74	0.7%	360	1.1%	299	0.9%	312	0.8%	298	0.8%	305	0.8%	274	0.7%	0.7%
DESCHUTES	691	2.9%	314	2.8%	1,376	4.0%	1,398	4.1%	1,594	4.1%	1,566	4.1%	1,568	3.9%	1,666	4.2%	3.1%
DOUGLAS	630	2.7%	266	2.4%	988	2.9%	898	2.7%	948	2.3%	902	2.3%	872	2.2%	882	2.2%	3.1%
GILLIAM	15	0.1%	4	0.0%	13	0.0%	17	0.1%	14	0.1%	22	0.1%	20	0.1%	11	0.0%	0.1%
GRANT	57	0.2%	26	0.2%	84	0.2%	62	0.2%	65	0.1%	57	0.1%	50	0.1%	61	0.2%	0.2%
HARNEY	70	0.3%	23	0.2%	69	0.2%	50	0.1%	62	0.2%	62	0.2%	65	0.2%	87	0.2%	0.2%
HOOD RIVER	146	0.6%	50	0.5%	237	0.7%	268	0.8%	258	0.7%	254	0.7%	228	0.6%	248	0.6%	0.6%
JACKSON	1,407	5.9%	515	4.7%	2,153	6.3%	2,092	6.2%	2,150	5.6%	2,145	5.6%	2,030	5.1%	2,159	5.5%	5.3%
JEFFERSON	95	0.4%	28	0.3%	74	0.2%	103	0.3%	96	0.3%	114	0.3%	98	0.2%	84	0.2%	0.5%
JOSEPHINE	699	2.9%	219	2.0%	966	2.8%	925	2.7%	927	2.0%	783	2.0%	825	2.1%	746	1.9%	2.3%
KLAMATH	528	2.2%	167	1.5%	724	2.1%	643	1.9%	634	1.8%	677	1.8%	695	1.7%	665	1.7%	1.9%
LAKE	91	0.4%	31	0.3%	105	0.3%	62	0.2%	60	0.2%	71	0.2%	54	0.1%	61	0.2%	0.2%
LANE	2,120	8.9%	1,197	10.8%	3,407	10.0%	3,338	9.9%	3,518	9.2%	3,534	9.2%	3,773	9.5%	3,594	9.1%	9.6%
LINCOLN	357	1.5%	164	1.5%	569	1.7%	520	1.5%	546	1.5%	593	1.5%	633	1.6%	524	1.3%	1.3%
LINN	519	2.2%	218	2.0%	799	2.3%	752	2.2%	863	2.1%	807	2.1%	853	2.1%	753	1.9%	3.1%
MALHEUR	329	1.4%	124	1.1%	316	0.9%	287	0.9%	313	0.7%	274	0.7%	306	0.8%	316	0.8%	0.9%
MARION	1,521	6.4%	729	6.6%	720	2.1%	2,055	6.1%	2,182	5.6%	2,177	5.6%	2,184	5.5%	2,154	5.4%	8.3%
MORROW	86	0.4%	25	0.2%	63	0.2%	48	0.1%	57	0.2%	81	0.2%	51	0.1%	81	0.2%	0.3%
MULTNOMAH	5,010	21.1%	2,895	26.2%	7,474	21.9%	7,014	20.8%	8,143	23.7%	9,137	23.7%	9,638	24.2%	9,685	24.5%	19.9%
POLK	251	1.1%	132	1.2%	1,891	5.5%	388	1.2%	424	1.1%	429	1.1%	452	1.1%	462	1.2%	1.8%
SHERMAN	16	0.1%	2	0.0%	9	0.0%	9	0.0%	16	0.0%	10	0.0%	16	0.0%	15	0.0%	0.1%
TILLAMOOK	149	0.6%	64	0.6%	191	0.6%	193	0.6%	218	0.5%	207	0.5%	247	0.6%	211	0.5%	0.7%
UMATILLA	620	2.6%	222	2.0%	612	1.8%	572	1.7%	627	1.7%	643	1.7%	583	1.5%	682	1.7%	2.0%
UNION	185	0.8%	74	0.7%	223	0.7%	241	0.7%	243	0.5%	202	0.5%	211	0.5%	231	0.6%	0.8%
WALLOWA	51	0.2%	16	0.1%	64	0.2%	83	0.2%	70	0.2%	72	0.2%	57	0.1%	56	0.1%	0.2%
WASCO	169	0.7%	61	0.6%	211	0.6%	177	0.5%	178	0.5%	183	0.5%	170	0.4%	203	0.5%	0.7%
WASHINGTON	3,358	14.1%	1,554	14.0%	4,300	12.6%	4,996	14.8%	5,243	16.4%	6,334	16.4%	6,696	16.8%	6,860	17.3%	12.0%
WHEELER	6	0.0%	5	0.0%	12	0.0%	5	0.0%	8	0.0%	17	0.0%	9	0.0%	7	0.0%	0.0%
YAMHILL	375	1.6%	195	1.8%	637	1.9%	562	1.7%	606	1.7%	660	1.7%	670	1.7%	710	1.8%	2.5%
TOTAL	23,749	100.0%	11,064	100.0%	34,170	100.0%	33,728	100.0%	36,559	100.0%	38,619	100.0%	39,845	100.0%	39,559	100.0%	100.0%

EXHIBIT 10: NUMBER OF INCOME TAX FILERS MOVING FROM OREGON, BY DESTINATION

STATE	1981		1985		1989		1993		1994		1995		1996		1997	
	#	% OF TOTAL	#	% OF TOTAL	#	% OF TOTAL	#	% OF TOTAL	#	% OF TOTAL	#	% OF TOTAL	#	% OF TOTAL	#	% OF TOTAL
ALABAMA	45	0.2%	29	0.3%	66	0.3%	68	0.3%	69	0.3%	72	0.3%	73	0.3%	93	0.3%
ALASKA	816	3.0%	241	2.3%	498	2.3%	512	2.3%	431	1.8%	413	1.6%	434	1.5%	437	1.4%
ARIZONA	756	2.7%	447	4.2%	713	3.3%	1,011	4.5%	1,164	4.9%	1,316	5.2%	1,429	5.0%	1,773	5.6%
ARKANSAS	123	0.4%	29	0.3%	80	0.4%	120	0.5%	110	0.5%	102	0.4%	151	0.5%	125	0.4%
CALIFORNIA	6,521	23.6%	3,115	29.3%	4,690	22.0%	4,025	17.8%	4,366	18.4%	4,816	18.9%	5,889	20.5%	6,987	22.1%
COLORADO	795	2.9%	305	2.9%	572	2.7%	750	3.3%	868	3.7%	921	3.6%	1,025	3.6%	1,132	3.6%
CONNECTICUT	82	0.3%	26	0.2%	66	0.3%	74	0.3%	96	0.4%	101	0.4%	101	0.4%	148	0.5%
DELAWARE	13	0.0%	6	0.1%	12	0.1%	12	0.1%	13	0.1%	13	0.1%	14	0.0%	24	0.1%
FLORIDA	254	0.9%	118	1.1%	286	1.3%	366	1.6%	380	1.6%	408	1.6%	420	1.5%	571	1.8%
GEORGIA	139	0.5%	57	0.5%	129	0.6%	184	0.8%	171	0.7%	223	0.9%	277	1.0%	282	0.9%
HAWAII	206	0.7%	133	1.3%	262	1.2%	276	1.2%	226	1.0%	194	0.8%	217	0.8%	268	0.8%
IDAHO	1,643	5.9%	487	4.6%	1,201	5.6%	1,441	6.4%	1,578	6.6%	1,489	5.8%	1,586	5.5%	1,679	5.3%
ILLINOIS	302	1.1%	136	1.3%	283	1.3%	286	1.3%	305	1.3%	408	1.6%	413	1.4%	400	1.3%
INDIANA	126	0.5%	42	0.4%	140	0.7%	144	0.6%	173	0.7%	193	0.8%	182	0.6%	209	0.7%
IOWA	143	0.5%	54	0.5%	128	0.6%	146	0.6%	138	0.6%	178	0.7%	175	0.6%	190	0.6%
KANSAS	168	0.6%	56	0.5%	105	0.5%	148	0.7%	166	0.7%	153	0.6%	182	0.6%	162	0.5%
KENTUCKY	54	0.2%	20	0.2%	48	0.2%	89	0.4%	77	0.3%	106	0.4%	104	0.4%	107	0.3%
LOUISIANA	107	0.4%	31	0.3%	66	0.3%	83	0.4%	88	0.4%	89	0.3%	89	0.3%	86	0.3%
MAINE	41	0.1%	17	0.2%	38	0.2%	52	0.2%	59	0.2%	53	0.2%	63	0.2%	79	0.2%
MARYLAND	84	0.3%	58	0.5%	119	0.6%	126	0.6%	126	0.5%	140	0.5%	151	0.5%	168	0.5%
MASSACHUSETTS	153	0.6%	92	0.9%	136	0.6%	157	0.7%	207	0.9%	244	1.0%	281	1.0%	340	1.1%
MICHIGAN	210	0.8%	96	0.9%	187	0.9%	232	1.0%	253	1.1%	292	1.1%	287	1.0%	323	1.0%
MINNESOTA	364	1.3%	127	1.2%	244	1.1%	281	1.2%	331	1.4%	324	1.3%	373	1.3%	434	1.4%
MISSISSIPPI	50	0.2%	19	0.2%	29	0.1%	46	0.2%	32	0.1%	53	0.2%	59	0.2%	54	0.2%
MISSOURI	204	0.7%	85	0.8%	183	0.9%	246	1.1%	237	1.0%	289	1.1%	287	1.0%	315	1.0%
MONTANA	528	1.9%	149	1.4%	428	2.0%	487	2.2%	574	2.4%	621	2.4%	593	2.1%	566	1.8%
NEBRASKA	116	0.4%	41	0.4%	106	0.5%	92	0.4%	149	0.6%	128	0.5%	144	0.5%	162	0.5%
NEVADA	625	2.3%	211	2.0%	514	2.4%	603	2.7%	605	2.5%	689	2.7%	800	2.8%	883	2.8%
NEW HAMPSHIRE	37	0.1%	10	0.1%	37	0.2%	38	0.2%	46	0.2%	61	0.2%	40	0.1%	62	0.2%
NEW JERSEY	93	0.3%	36	0.3%	90	0.4%	99	0.4%	97	0.4%	114	0.4%	118	0.4%	172	0.5%
NEW MEXICO	190	0.7%	88	0.8%	159	0.7%	228	1.0%	299	1.3%	330	1.3%	234	0.8%	279	0.9%
NEW YORK	357	1.3%	160	1.5%	270	1.3%	287	1.3%	326	1.4%	364	1.4%	380	1.3%	436	1.4%
NORTH CAROLINA	114	0.4%	67	0.6%	122	0.6%	193	0.9%	211	0.9%	218	0.9%	256	0.9%	291	0.9%
NORTH DAKOTA	96	0.3%	28	0.3%	68	0.3%	71	0.3%	61	0.3%	65	0.3%	84	0.3%	86	0.3%
OHIO	162	0.6%	71	0.7%	161	0.8%	190	0.8%	224	0.9%	222	0.9%	270	0.9%	341	1.1%
OKLAHOMA	354	1.3%	63	0.6%	156	0.7%	163	0.7%	152	0.6%	206	0.8%	224	0.8%	216	0.7%
PENNSYLVANIA	130	0.5%	71	0.7%	152	0.7%	168	0.7%	181	0.8%	185	0.7%	247	0.9%	228	0.7%
RHODE ISLAND	18	0.1%	5	0.0%	19	0.1%	21	0.1%	24	0.1%	12	0.0%	18	0.1%	24	0.1%
SOUTH CAROLINA	46	0.2%	23	0.2%	63	0.3%	59	0.3%	62	0.3%	71	0.3%	81	0.3%	89	0.3%
SOUTH DAKOTA	85	0.3%	27	0.3%	48	0.2%	72	0.3%	82	0.3%	87	0.3%	62	0.2%	85	0.3%
TENNESSEE	82	0.3%	30	0.3%	94	0.4%	170	0.8%	152	0.6%	148	0.6%	156	0.5%	213	0.7%
TEXAS	845	3.1%	295	2.8%	503	2.4%	717	3.2%	716	3.0%	740	2.9%	818	2.8%	1,023	3.2%
UTAH	447	1.6%	170	1.6%	399	1.9%	527	2.3%	575	2.4%	611	2.4%	623	2.2%	733	2.3%
VERMONT	25	0.1%	16	0.2%	21	0.1%	45	0.2%	37	0.2%	48	0.2%	59	0.2%	55	0.2%
VIRGINIA	207	0.7%	102	1.0%	231	1.1%	187	0.8%	179	0.8%	204	0.8%	277	1.0%	313	1.0%
WASHINGTON	8,869	32.1%	2,908	27.4%	6,876	32.2%	6,601	29.3%	6,638	27.9%	7,026	27.6%	8,139	28.3%	8,131	25.7%
WEST VIRGINIA	13	0.0%	10	0.1%	24	0.1%	23	0.1%	37	0.2%	32	0.1%	41	0.1%	26	0.1%
WISCONSIN	213	0.8%	70	0.7%	169	0.8%	188	0.8%	213	0.9%	246	1.0%	238	0.8%	239	0.8%
WYOMING	338	1.2%	44	0.4%	110	0.5%	142	0.6%	125	0.5%	136	0.5%	118	0.4%	164	0.5%
WASHINGTON, D.C.	43	0.2%	22	0.2%	42	0.2%	38	0.2%	36	0.2%	41	0.2%	42	0.1%	61	0.2%
GUAM, P.R., V.I.	5	0.0%	6	0.1%	19	0.1%	23	0.1%	14	0.1%	16	0.1%	10	0.0%	19	0.1%
OUTSIDE U.S.	222	0.8%	67	0.6%	168	0.8%	258	1.1%	300	1.3%	271	1.1%	381	1.3%	402	1.3%
TOTAL	27,659	100.0%	10,616	100.0%	21,330	100.0%	22,565	100.0%	23,779	100.0%	25,482	100.0%	28,715	100.0%	31,685	100.0%

County Data

Because the characteristics of taxpayers vary by geographic area within the state, breakdowns of tax return information by county can provide useful information. Exhibit 11 shows a breakdown of the number of returns, total adjusted gross income, and total tax due by county, and the percent change from 1996 to 1997. Exhibits 12 and 13 are maps showing averages of adjusted gross income and tax due for all returns in each county, and Exhibit 14 shows effective tax rates by county. The county is assigned based on the address on the tax return.

The three counties forming the Portland metropolitan area — Multnomah, Washington, and Clackamas — filed 39.9 percent of the tax returns, reporting 47.9 percent of the adjusted gross income and 50.0 percent of the total tax due. The remainder of the Willamette Valley, comprised of Lane, Linn, Benton, Polk, Marion, and Yamhill counties, accounts for an additional 24.1 percent of returns filed, 23.2 percent of adjusted gross income, and 22.6 percent of tax due.

The fastest growing counties in 1997 were Deschutes with 5.4 percent increase in returns filed, Washington with 4.1 percent increase, and Morrow with 4.0 percent increase. Crook county had the greatest percent increase in adjusted gross income, 22.1 percent. Other counties with over 10 percent increase in adjusted gross income were Deschutes (14.4 percent), Washington (13.3 percent), Harney (13.1 percent), Clackamas (12.8 percent), Josephine (12.4 percent), Multnomah (11.7 percent), Polk (11.2 percent), Benton (10.7 percent), and Yamhill (10.6 percent). Due to the surplus refund for the 1996 tax year, tax due increased dramatically in 1997 for every county except Wheeler, an average of over 30 percent.

The map in Exhibit 12 shows that the counties with the highest average adjusted gross incomes are Benton County and the three counties that comprise the Portland metropolitan area. Washington and Clackamas counties reported adjusted gross income averaging over \$48,000. Benton and Multnomah counties had adjusted gross income averaging over \$41,000.

The map in Exhibit 13 shows that Washington and Clackamas counties had the highest average tax due, \$3,120 in Washington and \$2,930 in Clackamas. Benton had an average tax due of \$2,550, and Multnomah had an average of \$2,487.

The map in Exhibit 14 shows effective tax rates — tax due divided by adjusted gross income — for each county.

Exhibit 15 provides a contrast between the mean adjusted gross income and the median adjusted gross income in each county. The mean is calculated by taking the total adjusted gross income in the county and dividing it by the number of returns. The mean is the measure that is most commonly referred to as the “average.”

The median income, in contrast, is the income of the “middle” return. The middle return is found by arranging all the returns in the county from the lowest to the highest adjusted gross income, then taking the one in the middle.

Both the mean and the median can be useful indicators of “average” income, but in cases where there are tax returns with very high incomes, the mean will be higher than the median, and the median will probably be a better measure of the circumstance of the “typical” filer. As Exhibit 15 shows, the mean income is higher than the median income in all of Oregon’s 36 counties.

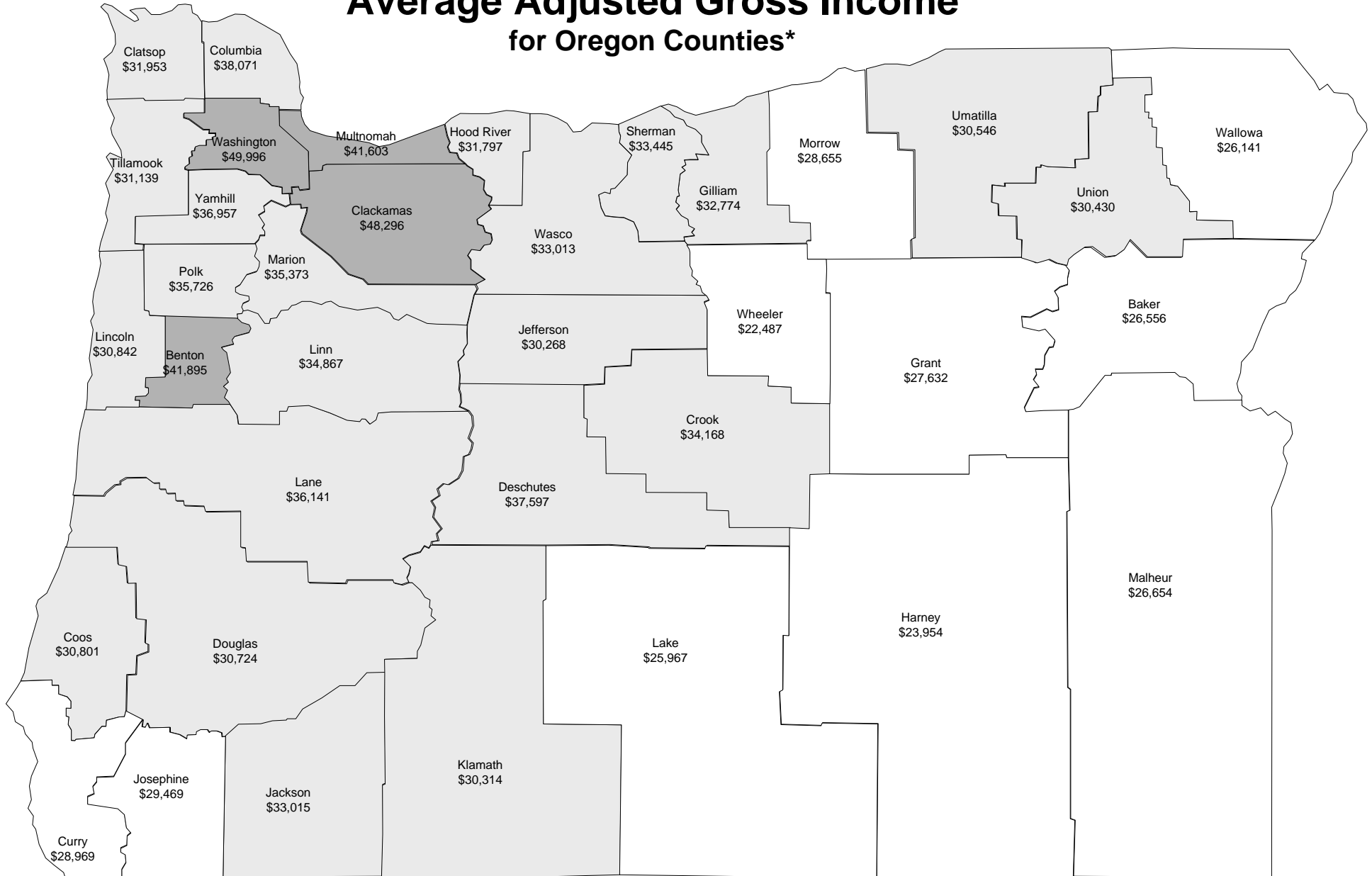
Sections 6 and 7 provide more detailed county-level information for all returns.




**EXHIBIT 11. DISTRIBUTION OF RETURNS AND SHARE OF STATEWIDE TOTAL
ALL 1997 RETURNS BY COUNTY**

County or Area	All 1997 Returns						% Change 1996 to 1997		
	Number of Returns #	Share	Adjusted Gross Income (\$000)	Share	Total Tax Due (\$000)	Share	No. of Returns	Total AGI	Total Tax Due
Baker	6,662	0.4%	176,912	0.3%	9,186	0.3%	2.0%	7.0%	26.0%
Benton	30,385	1.9%	1,272,991	2.2%	77,478	2.3%	1.7%	10.7%	31.5%
Clackamas	151,829	9.7%	7,332,717	12.4%	444,881	12.9%	2.2%	12.8%	34.2%
Clatsop	14,186	0.9%	453,281	0.8%	24,433	0.7%	0.6%	7.3%	26.2%
Columbia	17,969	1.1%	684,096	1.2%	38,944	1.1%	2.9%	9.0%	28.0%
Coos	24,095	1.5%	742,157	1.3%	40,358	1.2%	0.9%	3.6%	19.8%
Crook	6,749	0.4%	230,602	0.4%	13,580	0.4%	3.6%	22.1%	53.4%
Curry	8,896	0.6%	257,711	0.4%	13,159	0.4%	1.2%	9.4%	28.9%
Deschutes	47,327	3.0%	1,779,370	3.0%	101,020	2.9%	5.4%	14.4%	35.1%
Douglas	40,135	2.6%	1,233,107	2.1%	65,763	1.9%	2.4%	9.6%	28.8%
Gilliam	857	0.1%	28,087	0.0%	1,643	0.0%	2.1%	6.9%	27.1%
Grant	3,273	0.2%	90,440	0.2%	4,987	0.1%	-0.3%	6.0%	25.9%
Harney	2,998	0.2%	71,815	0.1%	3,965	0.1%	3.9%	13.1%	37.8%
Hood River	8,636	0.6%	274,595	0.5%	14,894	0.4%	1.4%	9.5%	29.4%
Jackson	71,916	4.6%	2,374,288	4.0%	126,931	3.7%	3.3%	9.5%	27.6%
Jefferson	5,772	0.4%	174,709	0.3%	8,297	0.2%	1.9%	6.8%	21.8%
Josephine	28,450	1.8%	838,384	1.4%	43,460	1.3%	3.2%	12.4%	34.7%
Klamath	24,487	1.6%	742,307	1.3%	41,368	1.2%	1.2%	5.0%	21.7%
Lake	2,865	0.2%	74,395	0.1%	3,937	0.1%	-1.2%	7.7%	25.4%
Lane	133,351	8.5%	4,819,449	8.2%	274,407	8.0%	2.5%	9.6%	29.5%
Lincoln	19,014	1.2%	586,427	1.0%	30,496	0.9%	0.2%	7.9%	28.0%
Linn	43,558	2.8%	1,518,738	2.6%	84,526	2.5%	1.8%	8.5%	26.5%
Malheur	10,480	0.7%	279,339	0.5%	13,753	0.4%	2.1%	7.4%	23.4%
Marion	114,107	7.3%	4,036,348	6.8%	223,263	6.5%	2.1%	9.7%	28.9%
Morrow	3,665	0.2%	105,022	0.2%	5,681	0.2%	4.0%	8.3%	27.1%
Multnomah	308,150	19.7%	12,819,899	21.7%	766,497	22.3%	2.1%	11.7%	33.0%
Polk	23,836	1.5%	851,569	1.4%	46,172	1.3%	2.8%	11.2%	31.0%
Sherman	856	0.1%	28,629	0.0%	1,604	0.0%	-1.5%	4.1%	21.1%
Tillamook	10,014	0.6%	311,829	0.5%	16,422	0.5%	0.8%	9.3%	33.6%
Umatilla	25,852	1.7%	789,674	1.3%	42,456	1.2%	2.6%	6.0%	22.7%
Union	10,041	0.6%	305,547	0.5%	16,305	0.5%	0.4%	6.6%	24.9%
Wallowa	3,121	0.2%	81,585	0.1%	4,252	0.1%	-1.2%	7.1%	27.6%
Wasco	9,385	0.6%	309,825	0.5%	16,755	0.5%	2.1%	7.6%	26.2%
Washington	163,378	10.5%	8,168,218	13.8%	509,739	14.8%	4.1%	13.3%	33.6%
Wheeler	602	0.0%	13,537	0.0%	661	0.0%	-1.0%	-8.8%	-7.8%
Yamhill	32,334	2.1%	1,194,956	2.0%	67,348	2.0%	3.3%	10.6%	29.2%
Clark Co., Wa.	49,237	3.1%	1,545,202	2.6%	89,028	2.6%	5.5%	8.5%	24.6%
Other Wash.	27,205	1.7%	724,746	1.2%	50,459	1.5%	1.2%	53.2%	75.7%
California	23,794	1.5%	589,918	1.0%	24,899	0.7%	7.8%	26.8%	57.0%
Idaho	10,560	0.7%	175,668	0.3%	9,490	0.3%	4.1%	9.2%	26.4%
Other States	43,112	2.8%	989,266	1.7%	63,776	1.9%	9.7%	27.4%	53.8%
Total	1,563,139	100.0%	\$59,077,357	100.0%	\$3,436,273	100.0%	2.8%	11.7%	32.1%

Exhibit 12

Average Adjusted Gross Income for Oregon Counties*

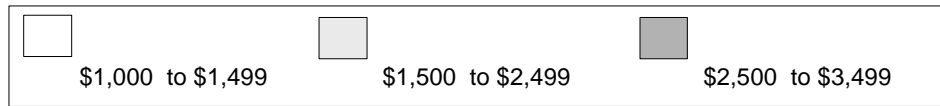
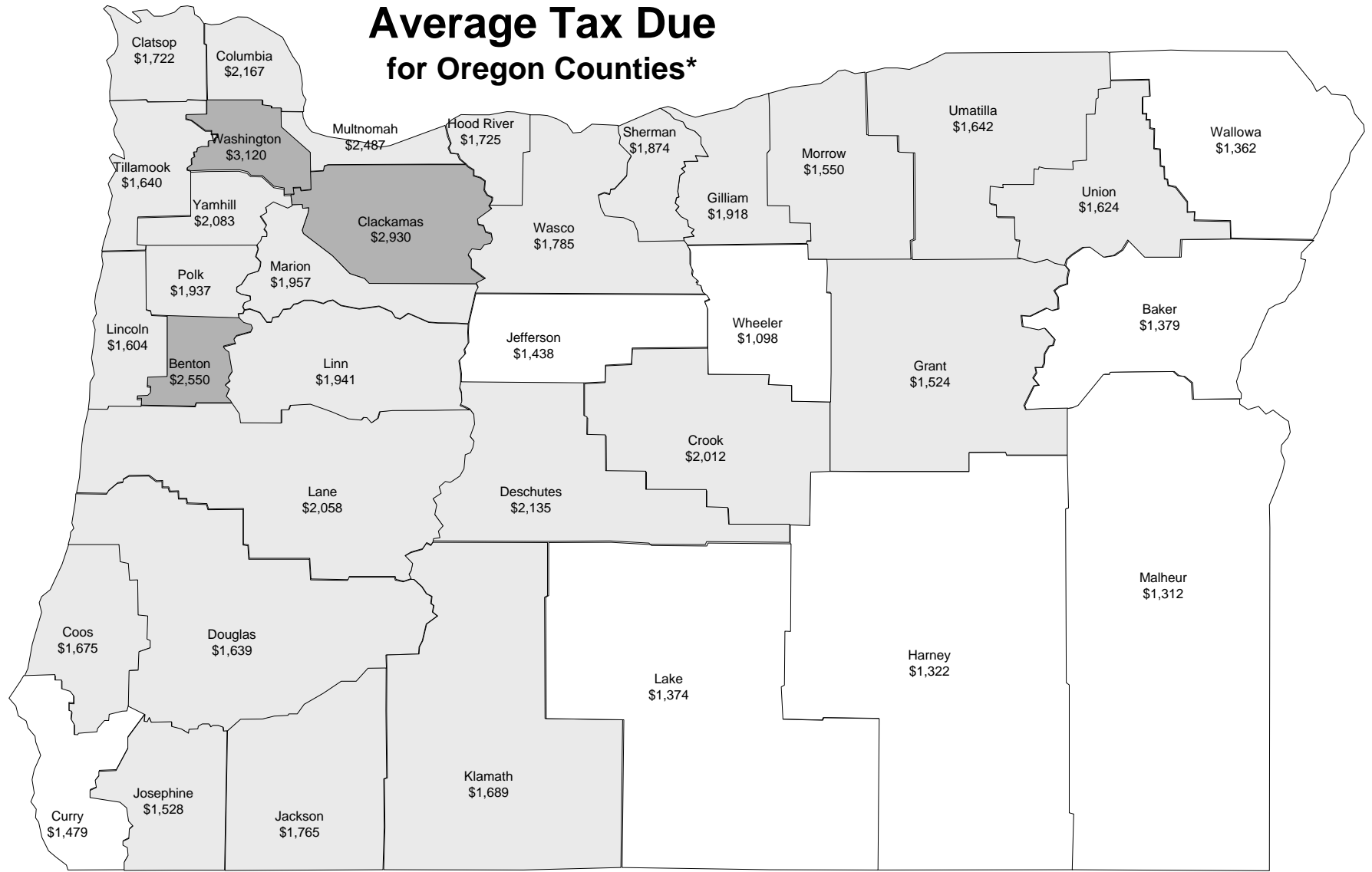


	\$20,000 to \$29,999		\$30,000 to \$39,999		\$40,000 to \$49,999
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* Statewide Average Adjusted Gross Income equals \$37,794

Exhibit 13

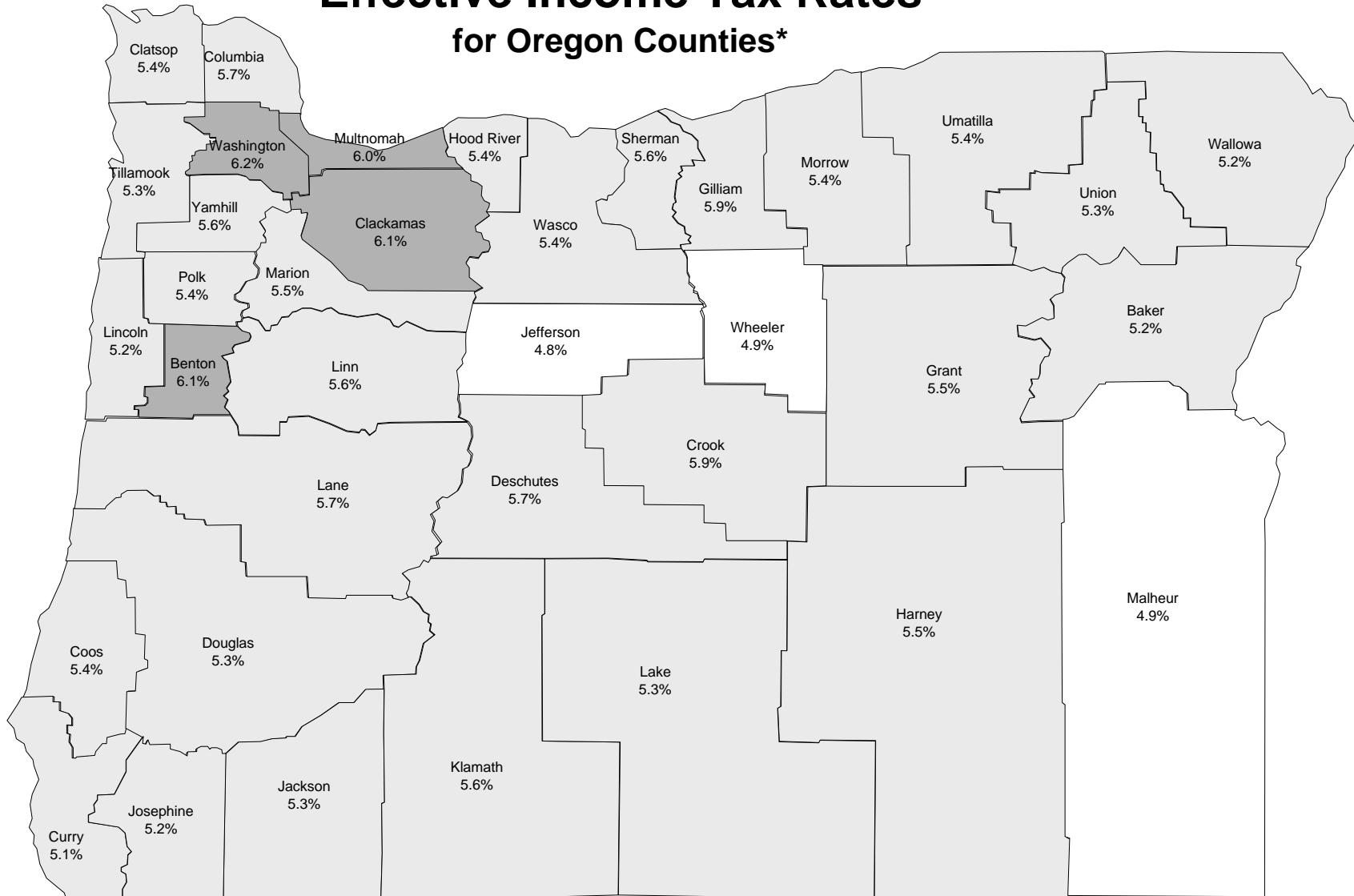
Average Tax Due for Oregon Counties*



* Statewide Average Tax Paid equals \$2,198

Exhibit 14

Effective Income Tax Rates for Oregon Counties*



4.0% to 4.9% 5.0% to 5.9% 6.0% and Greater
*Statewide Average Effective Income Tax Rate equals 5.8%

Exhibit 15

Mean and Median Adjusted Gross Income by County

All Returns for Tax Year 1997

