

**November
2009**

Advertisers

Business Ally, PC.....2
City View Funeral Home,
Cemetery & Crematorium7
Connect 4 Lunch3
Fidelity National
Title Company8
Fisher Farm & Lawn5
Fluent Engineering.....2
Home Star Brokers2
Hypno-Slender.....2
Melton's Fireplace & Patio.....3
Real Deals Home Décor2
Salem Monthly.....6
Unitus Community
Credit Union.....6
VanNatta Public
Relations, Inc.3
West Coast Bank.....1

Chamber TV Needs You!

Help make Salem Chamber TV shows possible online and on CCTV Channel 21 by sponsoring a "Salem on the Move" TV segment. December's show, being produced in November, will feature local charities speaking to the importance of business investments in ensuring a healthy and unified Salem area community. Contact Jason Brandt at jason@salemchamber.org.

Have you Connected 4 Lunch yet? It's easy! See Page 3 for details.



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More job losses under Tax Measures 66 & 67

"I'd much rather raise wages, maximize retirement program funding and donate to charity than pay more in taxes. Unfortunately, money for our 24 employees and charitable organizations is being redirected from their wallets towards state government." — Dirk Moeller, Business Connections, Inc.

In the coming months sound bites will be everywhere and debates will be heated regarding two state tax measures heading to a special ballot in January 2010.

Measure 66 increases taxes by 20% for individuals making over \$125,000. Measure 67 increases the corporate minimum tax and corporate income tax rate.

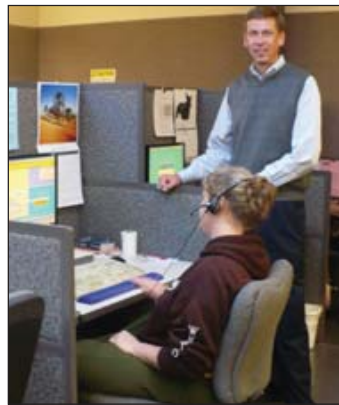
Lines are being drawn on the measures. On one side, you have advocates for the tax increases who argue that the additional revenue is absolutely necessary to keep public services intact.

On the other is business—citing that from information taken from the Legislative Revenue office, state government spending is supposed to **INCREASE** by 9.3% for the 09-11 biennium. If Oregonians reject the \$733 million tax increases (the largest increase ever . . . in a recession, no less) the state budget is still expected to **GROW** by over 7%.

A significant impact will be felt at the small business level as family owned and operated businesses, filed as C-corporations, begin to feel the effects of paying state government with money that simply isn't there.

Case and point—**Business Connection, Inc.**, a family owned and operated small business here in Salem. The business provides 24-hour telephone answering and voice mail service for accountants, attorneys, doctors, non-profits and others. Among its many achievements, Business Connections was chosen the Salem Chamber's 2004 "Employer of the Year."

The company represents just one scenario of how passage of the measures will ripple throughout a state that is already burdened with high unemployment.



Even though Business Connections doesn't expect to make any profit in 2009, the business will pay \$990 in new taxes to state government if voters approve Measure 67.

Companies like Business Connections throughout the state of Oregon are at risk if additional taxes are approved by voters in January 2010. Concerns include more Oregonians out of work and less funds across the board for local charitable organizations. Pictured are Dirk Moeller and a staffer.

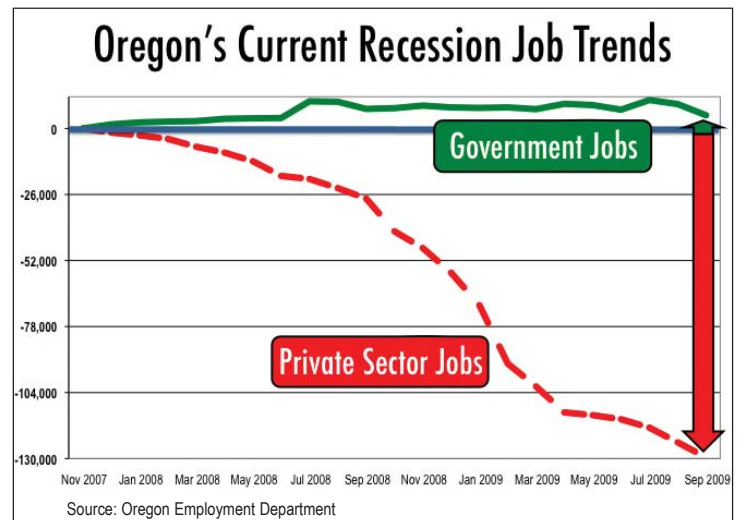
Just last year Business Connections employed 27 individuals. Like many small businesses, they cut back on employment in 2009 due to a struggling economy. This year, they employ 24 people. Work hours were also decreased from 980 a week in 2008 to 780 a week in 2009.

Like many area businesses, Business Connections is committed to incentivizing their employees with a strong health care plan where they pay 100% of the cost of health care for their employees with the exception of a \$20 co-pay.

They also have made retirement contributions totaling 15% of an employee's salary, however, those benefits were scaled back this year.

In addition, the company makes charitable contributions to the **Boys & Girls Club of Salem, Salem Family YMCA, the Awesome 3000, McNary High School, and South Salem High School.**

"At this point, I don't know



Citing information from the Legislative Revenue office, state government spending is supposed to **INCREASE** by 9.3% for the 09-11 biennium. If Oregonians reject the \$733 million tax increases (the largest increase ever . . . in a recession, no less) the state budget is still expected to **GROW** by over 7%.

"The worst part of it all is that all Oregonians will suffer if these taxes are implemented. I realize that some are fearful of what will happen if these taxes are defeated. Believe me; the proponents have only your fear as their ally. In the long run, if we cannot sustain an economy that creates jobs we will be in much deeper trouble (note the graph above). We must have jobs to generate the income tax to support government services." Mike McLaran, CEO, Salem Area Chamber of Commerce. Read Mike's full column on Page 5.

what we are going to say to these needy organizations. We've always been profitable, but in 2009 we'll be lucky to break even," said **Dirk Moeller, Manager.**

The small business experienced a 0% increase in sales in 2008 and is currently experiencing a 9.8% decrease in 2009 sales. Moeller is concerned that the actions of the 2009 Legislature in creating a new Health Insurance Premium tax and increases on other business taxes will only hurt their business and the local economy.

"I'd much rather raise wages, maximize retirement program funding and donate to charity than pay more in taxes," Moeller said. "Unfortunately, money for our 24 employees and charitable organizations is being redirected from their wallets towards state government."

Even though Business Connections doesn't expect to make any profit in 2009, the business will pay \$990 in new

taxes to state government if the voters approve Measure 67. Plus, it will pay an additional \$780 in taxes for providing commercial health insurance to their employees as an incentive of the job.

Companies like Business Connections are at risk throughout the state of Oregon if additional taxes are approved by voters in January 2010. Concerns include more Oregonians out of work and less funds across the board for local charitable organizations.

The Salem Area Chamber of Commerce Board of Directors voted unanimously to oppose both Measures 66 and 67. To help in the Chamber's effort to defeat Measures 66 & 67 contact the the Chamber's Public Affairs Director **Jason Brandt** at jason@salemchamber.org.

A special thank you goes to Dirk Moeller of Business Connections for publicly sharing his company's story.



"Thank you for making us the #1 bank in the Salem area."
Ken Jundt, Regional President

**Committed to our clients
Committed to our community
Success ...for all the right reasons**

