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Senator Burdick  
Members of the Senate Finance and Revenue Committee

For the record on SB 546

The central assessment of communication companies and the issue of the taxation of intangible property under Oregon's property tax has become a large, complex discussion. Rapid changes in technologies have challenged the ability of lawmakers and regulators to keep pace. Disagreements over the policy, its extent of influence and definitions have engendered dozens of bills and multiple lawsuits with high stakes for all sides.

The question of how communication companies will be taxed in Oregon under the property tax and just who those companies are remains the focus of an ongoing reform effort. Isolated bills that address single constituent issues may largely distract from this ongoing effort to achieve greater tax certainty and fairness for the communications industry.

Although SB 546 appears to create greater certainty and fairness for companies looking to invest in data centers in enterprise zones, that certainty already exists. Local governments can already negotiate enterprise zone agreements with companies that specifically exclude both tangible and intangible property from taxation, thus achieving the same end as SB 546. Indeed, SB 546 may serve only to remove intangible property as a negotiating tool for counties and cities.

Taking these two points together, SB 546 does not generally help advance the larger policy objectives of certainty and fairness.