

Pacific Northwest Regional Council of Carpenters

Affiliated with
United Brotherhood of Carpenters and Joiners of America



1636 East Burnside • Portland, OR 97214
Phone: 503.261.1862 • Toll Free: 800.974.9052 • Fax: 503.261.0893



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To: Members of the Oregon House of Representatives

The Pacific Northwest Regional Council of Carpenters urges your support of HB2464. Our Council represents five trades with approximately 29,000 members.

This legislation will close a critical loophole in state law that allows unscrupulous contractors to operate without paying taxes and providing an unfair advantage over the majority of contractors who play by the rules, pay their taxes and treat their workers justly and fairly.

HB2464 simply adds C Corporations to all other business entities to which a 1099 must be supplied by those who purchase construction services in excess of \$600. The legislation affects only those payors who, in the normal course of their business, pay for construction services. Current law requires such forms for all LLC's S Corporations, Partnerships and sole proprietors.

Adding C Corporations to the list will prevent tax cheats from organizing their businesses under the C Corporation designation in hopes the absence of a paper trail to the taxing authorities will allow them to compete unfairly with legitimate contractors. The Oregon Department of Revenue has testified this is a problem of particular concern in the construction trade industry. We should give them the tools to enforce the law.

This legislation will actually make such filings easier for contractors who will no longer have to assess a vendor's business status in determining whether or not a 1099 needs to be sent. By sending to all providers who provide "construction services,(and materials IF IN CONJUNCTION WITH CONSTRUCTION SERVICES), the process could save contractors time and money.

There is no place for tax cheats in our state and we should do everything possible to ensure they pay their fair share like everyone else. This is a simple yet effective tool to mitigate their ability to fly under the radar to the disadvantage of all other taxpayers. Please support HB2464.

Sincerely,

Ronald E Robbins
OR/SW WA Regional Manager

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From the desk of
Rep Jules Bailey