

House Joint Memorial 13

Sponsored by Representative BARNHART; Representative TOMEI

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Urges Congress to enact legislation that prohibits states and local governments from offering tax incentives to corporations or other businesses in exchange for promises of locating or expanding facilities, retaining existing operations, meeting hiring quotas or providing other future benefits.

JOINT MEMORIAL

1
2 To the President of the United States and the Senate and the House of Representatives of the United
3 States of America, in Congress assembled:

4 We, your memorialists, the Seventy-seventh Legislative Assembly of the State of Oregon, in
5 legislative session assembled, respectfully represent as follows:

6 Whereas it is a common practice throughout this nation to provide tax incentives to corpo-
7 rations and businesses to relocate or remain in communities in this country; and

8 Whereas states, counties and cities are now providing more than \$80 billion annually in tax
9 breaks to companies; and

10 Whereas corporations exploit the fear of moving jobs overseas to pit state and local govern-
11 ments against each other in providing tax benefits that these governments can scant afford; and

12 Whereas there is little evidence that tax incentives are sound investments that raise tax re-
13 venues in the long run; and

14 Whereas tax incentives divert money from paramount obligations that states and local govern-
15 ments must meet, such as education and public safety; and

16 Whereas state and local officials often have little information about the track records of cor-
17 porate beneficiaries of tax incentives and do not know the extent to which tax incentives are a de-
18 ciding factor for companies in location or expansion decisions; and

19 Whereas competition between states and localities does not increase overall economic value and
20 amounts to a zero-sum game; and

21 Whereas corporations owe fiduciary responsibilities only to their shareholders and legally can-
22 not exercise judgment in determining whether proffered tax breaks are prudent for the communities
23 in which the corporations locate; and

24 Whereas many of the most sought-after businesses principally engage in information services
25 and can easily pack up and leave; and

26 Whereas the competition among states and localities in offering ever-more lucrative tax incen-
27 tives amounts to a race to the bottom that robs states and localities of the means to provide services
28 that the public needs and expects; and

29 Whereas, absent federal limits on the ability of states and local governments to grant incentives,
30 state and local government officials will have little practical choice but to continue to grant tax
31 incentives that are no longer affordable; now, therefore,

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 **Be It Resolved by the Legislative Assembly of the State of Oregon:**

2 That we, the members of the Seventy-seventh Legislative Assembly, respectfully request that the
3 Congress of the United States pass legislation that prohibits states and local governments from of-
4 fering tax incentives to corporations in exchange for promises to locate or expand facilities, retain
5 existing operations, meet hiring quotas or provide other future benefits; and be it further

6 Resolved, That a copy of this memorial shall be sent to the President of the United States, to
7 the Senate Majority Leader, to the Speaker of the House of Representatives and to each member
8 of the Oregon Congressional Delegation.

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