



House Committee on Revenue

HB 2940

Several weeks ago, TFO testified strongly in favor of HB 2940 which requires public disclosure of information about corporate income taxes paid to the State of Oregon. This bill, HB 2940, is much more restricted in scope, but it still has great significance for the welfare of our state. It focusses public attention on the tax bases of Oregon communities. Property tax incentives for economic development require difficult trade-offs. A Chamber of Commerce leader may see a local tax exemption as an indispensable incentive for economic growth, but a teacher may see it as a giveaway that undercuts school budgets.

Oregon's property tax exemption programs usually give local authorities some latitude to determine the size of the exemption in negotiation with the investor. Local authorities are left to weigh the costs and the benefits of different levels of incentive for their particular situation. The documentation that this bill authorizes will give local officials and local citizens ready information concerning past history of similar programs around the state.

The State also has a direct interest in those negotiations, because property tax exemptions may lead local authorities to ask for more assistance from the State. For example, the State is required to replace school taxes lost to property tax exemptions in order to equalize per student expenditures across the state.

This bill will help the Legislature know when its property tax exemption programs have become more giveaway than incentive.

3/30/15

We read the bills and follow the money