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March 30, 2015

Re: Oppose HB 2099

To House Committee on Revenue Members:

On behalf of Transamerica Life Insurance Company, its affiliates and subsidiaries, I write to express our serious concern with HB 2099, legislation that would expand the state's tax haven list to include the Netherlands and potentially Switzerland, among other nations. Labeling any country in this manner is arbitrary and misaligns with global and U.S. tax norms. This bill falsely presumes that Transamerica Corporation, our US taxpayer, is a tax evader simply because our parent corporation, AEGON NV, and selected affiliates, operate in certain countries. I urge you to oppose tax haven list policy because it positions Oregon as a far less competitive location for foreign direct investment (FDI), jeopardizing future job creation from globally-headquartered companies like mine.

Transamerica has 167 employees in Oregon; 13 of those employees also residing in the state. Various Transamerica entities offer life insurance, annuity products and financial services to customers throughout the United States, including residents of Oregon. Our employees in Oregon contribute to these operations.

HB 2099 would add the Netherlands and potentially Switzerland to the state's deemed tax haven list and lead to tax hikes for all unitary foreign affiliates based in these jurisdictions. Transamerica opposes this type of tax policy for many reasons.

AEGON'S Netherlands roots date back to 1844. Today, AEGON has operations in over 25 counties, including North America, where we are known as Transamerica. AEGON, through the Transamerica companies, is one of the largest insurance groups in the United States. We offer a range of insurance, pension and saving products. For companies, we also provide asset management, reinsurance and marketing services.

Although neither AEGON NV nor any of its subsidiaries currently operate in Switzerland, there are operations in the Netherlands. The tax haven blacklist approach assumes that Transamerica or its parent company, AEGON NV, is an abusive tax evader because we have affiliated companies that operate in the Netherlands. However, AEGON is located in the Netherlands for countless, legitimate business purposes, including senior management operations and ability to reach and service customers. In fact, AEGON ranks first in the Dutch group pensions market. The mere fact that AEGON NV or other affiliated foreign subsidiaries of AEGON NV operate or are incorporated in the Netherlands does not mean tax avoidance. The tax haven policy fails to distinguish between legitimate corporate actors and tax evaders, offers no safeguards, and imposes punitive taxation to all unitary firms with operations in these countries.

Also, no state has ever deemed the Netherlands or Switzerland as tax havens. Rather, these two countries are two of America's most important trading partners and sources of foreign direct investment (FDI). Both nations have bilateral tax treaties with the United States. Firms from these countries provide

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841,000 U.S. jobs and produce over \$21 billion in annual exports. These businesses employ over 6,000 people in Oregon.

Convincing my company to expand or invest in Oregon would be a challenge because some of our foreign affiliates would now be double taxed by one U.S. state on income streams already taxed by the Netherlands. Additionally, the uncertainty of whether any other nations where AEGON operates would be added to the list in the future would be an ongoing concern.

HB 2099 would damage the state's reputation among potential foreign investors looking to invest and expand operations. We urge you to oppose HB 2099 and tax haven list policy overall to ensure Oregon tax policies align with international, federal and state norms.

Thank you for your consideration of this important issue for Transamerica and the broader international business community.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dan Marcher". The signature is written in black ink and is positioned below the word "Sincerely,".