



The Oregon Economic Development Association (OEDA) opposes HB 2099. OEDA and its members understand the need to protect Oregon's revenue base, but strongly urge the committee to consider the unintended consequences of labeling any country as a "tax haven."

OEDA is a statewide non-profit organization working to support economic development professionals who are on Oregon's front line in diversifying and expanding Oregon's economy. OEDA's membership includes a mix of public and private entities from economic development corporations, cities, utilities and other stakeholders interested in attracting investment here in Oregon.

OEDA's members and other economic development organizations have a unique perspective on what it takes to keep Oregon competitive in attracting global investment. Our members frequently work with global companies, encouraging them to invest assets and create new jobs, often high-wage jobs, here in our state.

For Oregon to realize widely-shared economic growth and prosperity, it is imperative to embrace international markets. The state has the building blocks of enviable innovation, globally-competitive industries, and a productive, educated and increasingly diverse workforce to compete on a global level. We can increase access to global markets and foreign investment to realize a stronger economy.

HB 2099 and our current statute, ORS 317.715, create barriers for investment by targeting foreign companies' legitimate business activities that are unconnected to Oregon, simply due to their presence in that country. Several states have passed laws to try to address tax base erosion due to off-shore subsidiaries and affiliates. Oregon is only the second state to use a "tax havens" list, and under HB 2099, would be the first to target major markets such as the Netherlands and Switzerland. Many Swiss and Dutch based companies have invested heavily in Oregon, including Genentech, a subsidiary of Roche Holdings; Akso Nobel; Micro Systems Technology Management AG; and Tyco.

HB 2099 could brand Oregon as undesirable location for foreign direct investment. Oregon and its economic development professionals urge the committee to oppose HB 2099 and consider alternative approaches that do not unfairly target legitimate business activities unrelated to Oregon.

Thank you,

Sarah Garrison
President