



OREGON BUSINESS ASSOCIATION

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The Oregon Business Association (OBA) opposes House Bill 4035

Chair Barnhart and members of the House Revenue Committee,

The OBA has consistently warned against violating taxpayer confidentiality under the guise of transparency. H.B. 4035 would require the Department of Revenue to disclose certain taxpayer return information to the Legislative Revenue Office, which in turn would make that information public. H.B. 4035 cites no public purpose for such disclosure, and the disclosure of confidential taxpayer information to the public benefits no one. Rather than inform the public policy debate, H.B. 4035 would mislead both legislators and the public into thinking that businesses do not pay substantial taxes, when in fact business pay substantial taxes, especially in areas other than the corporate income tax (e.g., property taxes and other excise taxes). The corporate income tax is the most volatile state revenue stream because of business cycles and the intent of the tax code.

If the Legislature is concerned that a certain class of taxpayers is being taxed inappropriately, then it should ask the Department of Revenue for aggregate information for that class of taxpayers. Showing a specific taxpayer did not pay corporate income tax for a given year – because of loss carryovers, current year profitability, tax credits, or some other reason – is not going to help the policy debate. In fact, it will likely harm the debate, as the reason for the taxpayer's Oregon income tax liability will likely not be apparent or understood from the information disclosed.

Further, the fact that H.B. 4035 is limited to disclosure of confidential taxpayer information for “the largest 100 taxpayers that claimed at least \$ ___ in corporate excise tax credits” underscores the fruitless, punitive, and arbitrary nature of this proposal. In other words, because larger companies are likely to obtain larger tax credits, the intent of this proposal appears to be to shame such corporations publicly. This limitation does nothing to find taxpayers who the Legislature may feel are being taxed inappropriately. Rather, it unnecessarily exposes confidential information of some of the largest companies doing business in Oregon.

OBA represents nearly 300 businesses, of all sizes from all parts of the state. We respectfully urge you reject H.B. 4035.

Thank you for your consideration.

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