

Emailed Testimony

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Subject: Testimony on HB 4035
Email:

House Revenue Committee

Chair Barnhart and Members of the Committee

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Member of Tax Fairness Oregon & TRIA – Taxpayer Return on Investment Act working group...

The opinions below are mine alone...

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In support of House Bill 4035

“...Oregon is demure and lovely... it ought to play a little hard to get... [not] a hungry hussy, throwing herself at every stinking smokestack that is offered...” - Tom McCall

Good policies are created with good information:

- Good governance depends on accessible and accurate information for both the public and for legislators.
- Transparency assures the public that their hard earned tax dollars are being used wisely.
- Such information is basic to our checks and balances system.

Contrary to the assertions in AOI's submitted testimony, the public is capable of understanding how their money is being spent to subsidize corporations in Oregon, whether its via tax incentives such as SIPs or tax credits and whether a public purpose is served.

AOI's assertion that the public can't understand “the complexities of corporate income taxes” makes it even more important that legislators have accessible and accurate information to help the media and public discern these “complexities”...

Representative democracy is founded on the “consent of the governed.” Lacking reliable information there can be no consent.

In a time when presidential candidates as diverse as Donald Trump and Bernie Sanders are rallying people around the issues of government accountability and income inequality - how can Oregon do less than shine the light of transparency?

I find it ironic that I could not access 2 of the 3 files AOI used as examples of transparency. My attempt got a response of “Error 404 – File not Found”... This is hardly a good example of transparency.

Trying to find information on state websites like Business Oregon is akin to finding a needle in a haystack.

Opponents of this bill beggar the imagination. The claim that tax information should not be disclosed except in the aggregate is to deny legislators and the public the right of accountability of how their tax dollars are being used and who is carrying the load.

Again, democracy cannot function under the aegis of non-disclosure claims. If a corporation wants to do business in Oregon while benefitting from tax incentive, credits et al – we have a right to know if we're getting a proper bang for our buck.

Benefits of Transparency:

1. Oregon's corporate taxes are the lowest in the country and hundreds of corporations pay no taxes at all.
2. Armed with information, policy makers can make sure that large and out-of-state corporations are paying their fair share.
3. Publicly traded corporations make their federal taxes public; they should meet the same standards for state taxes.

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A) Good policies are created in light of good information. Yet, currently, much of our corporate tax policy is based on assumptions. The amount of taxes that corporations actually pay is hidden from the public and from lawmakers.

B) Oregon's citizens and lawmakers want to create policies that both help good businesses thrive, and ensure that the state has the resources to fund essential services that support everyday Oregonians and develop our workforce. Unfortunately, with our current system of taxes, working families carry much of the tax burden - and even so, many vital state services are underfunded.

C) We know that Oregon's corporate taxes are the lowest in the country. We also know that many large and out-of-state corporations are not paying their fair share of taxes, either by simply paying Oregon's low corporate minimum or by using loopholes to avoid paying them altogether. But we don't know which companies are carrying their weight and which are not.

D) Without that information, we cannot clearly evaluate whether our current policies are creating the intended outcomes. We cannot make sound plans to alleviate the revenue problems our state faces, and restore funding to many crucial services.

E) Businesses often downplay the scope of the aggressive tax-sheltering strategies they employ, while they argue that state-funded incentives are essential to producing a friendly business culture.

F) At the same time, many state services, like our schools, are severely underfunded. Between the 2007-08 and 2013-14 school years, Oregon public schools lost nearly 3,400 teachers and 1,200 instructional assistants to budget cuts. With fewer teachers, class sizes increased—Oregon now has one of the largest average class sizes in the country. Oregon also has one of the shortest school years in the country. Between grades 1 and 12, Oregon students receive a full year *less* instruction than the national average.

G) This bill provides one way to determine which corporations are paying their fair share, and which are paying less than the voter-approved minimum tax. The only reason one would oppose corporate transparency would be to keep unfavorable behavior - in this case, avoiding paying taxes - hidden from lawmakers and citizens.

For those who argue that corporations are paying their fair share, this bill would verify or dispute that argument with concrete evidence. Corporations already report their federal taxes; they should do the same for their state taxes.