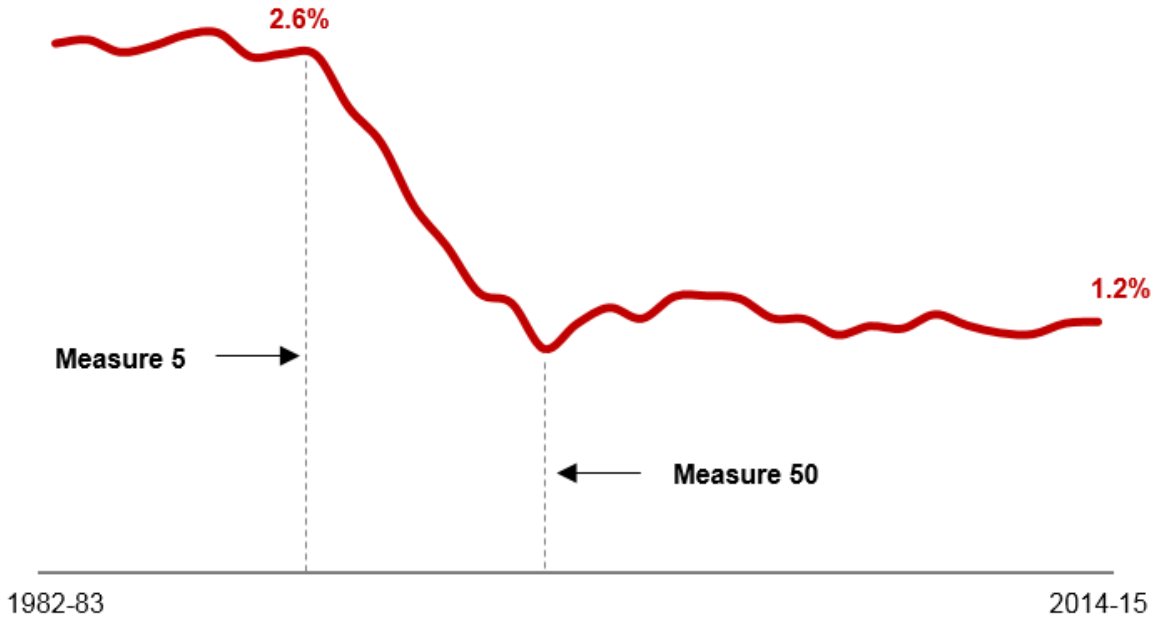


## Measures 5 and 50 slashed business property taxes



Property taxes paid by Oregon businesses as share of gross state product.  
Source: OCPP analysis of Oregon Department of Revenue and Bureau of Economic Analysis data.

Oregon Center for Public Policy | [www.ocpp.org](http://www.ocpp.org)

M 5, and even more so M 50 were at the root of the decline. M 5 slashed property taxes, including the property taxes paid by corporations and other businesses. M 50 then locked in assessed values of those properties at a time when commercial property was inexpensive, relative to residential property. And to make matters worse, the legislature started exempting businesses located in enterprise zones for 3-15 years of taxes, and Intel, Genentech and wind farms were handed a massive property tax discount with the Strategic Investment Program.



Note: OCPP deserves credit for the chart above

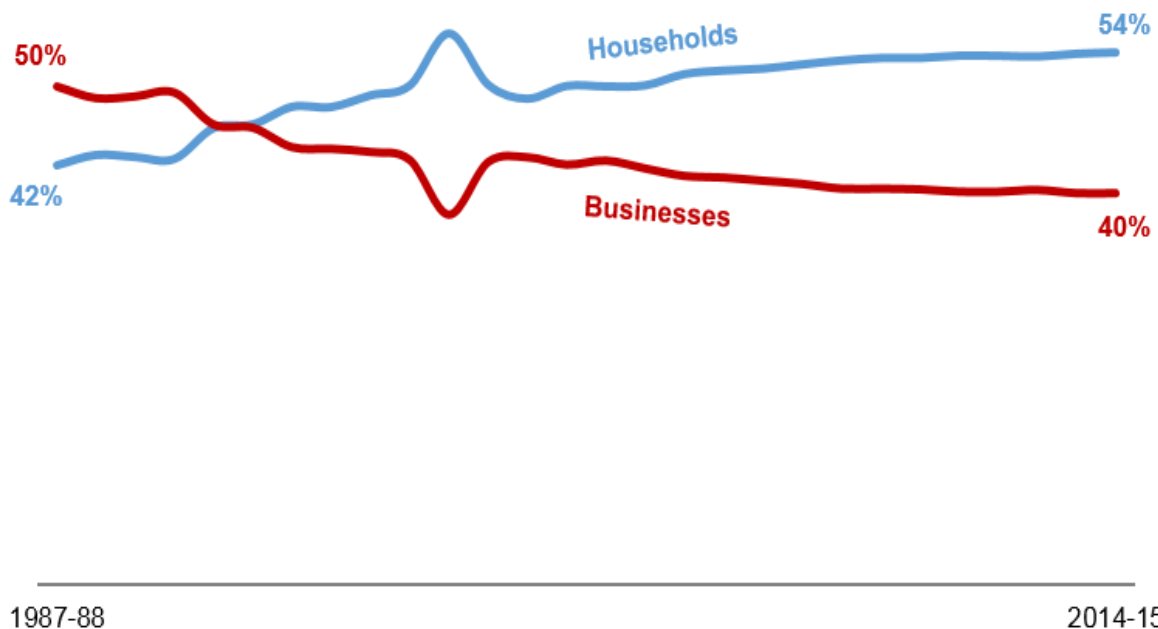
Prior to M5, businesses paid approximately 50% of collected property taxes. By the 2014-15 biennium this had dropped to 40%, while homeowners' share increased from 42% to 54% (farm and forest lands made up the rest).

As a share of Oregon's economy, the difference is even more stark. Throughout the 1980s, property taxes paid by businesses made up about 2.6 percent of the Oregon economy. During 2014-15 fiscal year, property taxes paid by businesses made up just 1.2 percent of the state economy - or a 50% reduction.

During that same period, the number of corporate tax deductions expanded from less than 10 to more than 50.

[http://www.oregonlive.com/opinion/index.ssf/2016/12/tim\\_nesbitt\\_we\\_need\\_to\\_move\\_be.html#incart\\_most-comm](http://www.oregonlive.com/opinion/index.ssf/2016/12/tim_nesbitt_we_need_to_move_be.html#incart_most-comm) Deep into the comments on a Tim Nesbitt post following the 2016 Oregon Business Summit

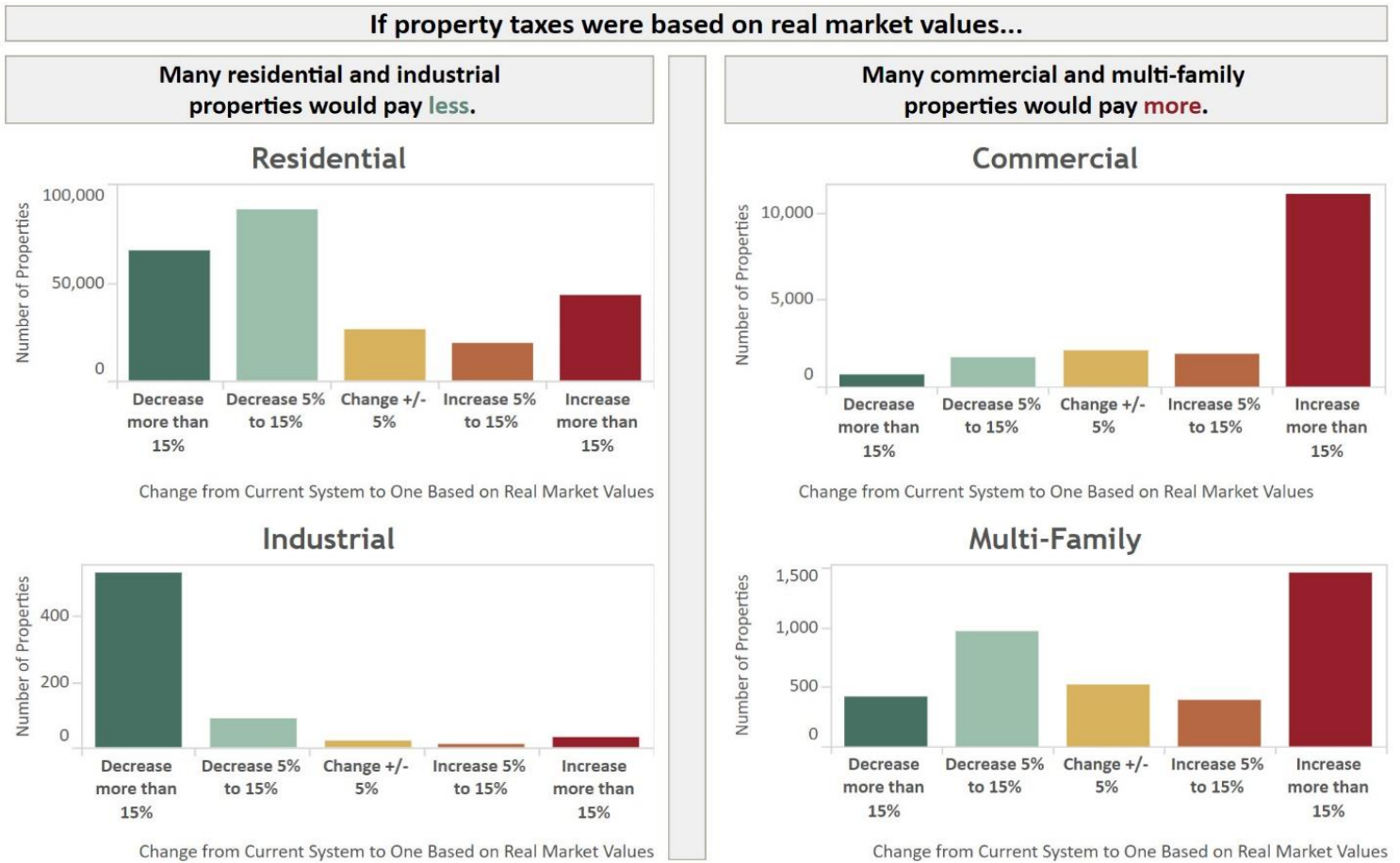
## Business share of property taxes has declined



Share of property taxes paid by fiscal year. Figures shown do not include farm or forest property.  
Source: OCPP analysis of Oregon Department of Revenue data.

# If property taxes were based on real market values

## Multnomah County 2014 Sample



Source: Multnomah County audit report from 2014. It clearly shows that commercial owners pay much less than residential. The graphs modeled what it would look like if Prop 50 were reversed and real market values were to be used for tax assessment for 2014. From *Residential and Commercial Property Impacts* tab of <https://public.tableau.com/profile/multnomah.county.auditor.s.office#!/vizhome/PropertyTaxes/PropertyTaxInequities>