



Testimony in Support of HB 2407

Submitted by Shamus Lynsky,
Executive Director, Oregon Consumer League
March 1, 2017

Chair Barnhart and Members of the House Committee on Revenue,

I am writing today on behalf of Oregon consumers and taxpayers to encourage you to vote yes on HB 2407 to end corporations' free ride of interest-free tax debt.

To date, according to county assessors, corporations like Comcast and other communications companies owe over \$155 million in deferred property taxes while they dispute the taxes in court. With no interest or penalties on the unpaid amount, Comcast has no incentive to settle up and pay. In fact, they have every incentive to drag the state through a costly court battle, because they know that under current Oregon law, when they are eventually held accountable to pay what they owe, they will owe zero interest, and get the 3% discount provided to taxpayers for "timely payment"! That does not make sense.

By removing the timely payment discount for deferred taxes and charging interest at the variable rate charged on tax programs administered by the state, HB 2407 will create the incentive corporations need to settle up with the state in a timely manner.

The current system incentivizes corporations to use the court system as a way of delaying payments with no penalty. This means Comcast can invest the \$145 million (and counting) in deferred taxes, and rake in interest income, knowing that when they finally have to settle with the state they will owe nothing in interest for the delayed payments - and get a 3% discount for "timely payment" to boot! That's absurd.

Please vote **YES on HB 2407** to encourage corporations to pay their taxes in a timely manner.