



## **SB 150 Lowering the corporate minimum tax for smaller business or using this bill as a vehicle**

Senate Finance and Revenue – Jody Wisner – 3.7.2017

Surely SB 150 is a bill designed for a relating clause, because all it does is cut our minimum tax for some smaller businesses. Hardly a good idea in this economic environment.

We're talking Oregon's minimum tax with this bill. Currently, when a company has sales of under \$500,000 and manages to declare no profit, it pays only \$150, the minimum corporate tax. The bill proposes that the sales floor should be \$1 million instead of \$500,000.

But \$150 is a ridiculously low number for a minimum tax in the first place. Any business pays more than that to have its taxes done, more than that for a month of cell phone and internet service, and certainly more than that for liability insurance.

Yet having an s or c corp or LLC thereby being subject to Oregon's minimum tax provides not only insurance – your home and other assets are protected against suit by customers or employees – but also the very courts in which the case is played out, educated employees, and other essential functioning infrastructure, all for only \$150 dollars?

A CPA recently asked me, "Why did the legislature settle on a figure like \$150? Certainly \$800 would have been more reasonable."

30,000 "small" businesses x \$150 = \$ 4,500,000

30,000 "small" businesses x \$800 = \$24,000,000.

We've the lowest business taxes in the country, and this bill would reduce them even further. It's a step in the wrong direction with a great relating clause.

**The relating clause for SB 150:**

***Relating to corporate minimum tax; creating new provisions; amending ORS 317.090; and prescribing an effective date.***

**Here's how to use it: take off the cap, and change the rate to \$150 plus \$0.90 on every \$100 and you'll have a solution in hand.**