

## **Openness to the global economy is crucial for Oregon's economy.**



Oregon's economic future will be built around the growth of key industries, like computers, wearables, electronics, robotics, health science, and clean tech to name a few – all of which rely on global connectivity to both attract investment and sell Oregon-produced goods overseas.

Participating in the global economy supports hundreds of thousands of Oregon jobs:

- Foreign direct investment (FDI) supports more than 200,000 Oregon jobs, including 1 in 5 manufacturing jobs.<sup>1</sup>
- Oregon exported almost \$21 billion in goods, which supports 86,000 jobs. Over 86 percent of these exporting businesses are small/medium-sized businesses.<sup>2</sup>



These are the globally-connected jobs all communities want. They tend to manufacture at higher rates, spend more money on innovation, and give more back to the community.



These globally-connected jobs pay more too: FDI jobs pay more than 30 percent higher than average private-sector salaries.<sup>3</sup>



## **Oregon's tax haven blacklist is a blunt instrument that harms economic development efforts. It needs to be repealed.**



Blacklisting a specific country as a “tax haven” is arbitrary and unmanageable, and the OECD (the organization that originally created the blacklist) no longer maintains a list.

The blacklist fails to distinguish between legitimate businesses operating in deemed tax havens from those firms using the nations as a tax shelter, imposing punitive taxation on corporations merely for being incorporating in a listed jurisdiction.



This policy disincentivizes firms with legitimate, non-tax motivated operations in deemed tax havens from hiring and expanding in Oregon because they are taxed differently the moment they invest in the state.



The blacklist threatens Oregon's global business reputation, undermines the state's ability to attract investment and job creation, and is out of sync with the global approach to this issue. Besides Montana, every other state that has considered the blacklist as well as the Multistate Tax Commission (MTC) has rejected it.<sup>4</sup>



For more information please contact Rocky Dallum, 503-830-5098, rocky.dallum@tonkon.com

<sup>1</sup>Data is from the *Jobs We Need* Report, produced by the Organization for International Investment & PwC, 2016. [FDI supports 201,100 jobs](#) in Oregon (see page 71), including [52,800 direct jobs](#). These global businesses are desired by communities, but are also the most likely to be inadvertently targeted by a blacklist policy because they have operations around the world.

<sup>2</sup> Data is the latest available from the Office of the U.S. Trade Representative.

<sup>3</sup> Data is the latest available from the Bureau of Economic Analysis, U.S. Department of Commerce.

<sup>4</sup> Since 2013, [Rhode Island](#), [Connecticut](#), and [D.C.](#) are the only states to enact tax haven policies, and each ultimately rejected the blacklisting approach. See also STRI/COST's study: *State Tax Haven Legislation: A Misguided Approach to a Global Issue*, <http://cost.org/WorkArea/DownloadAsset.aspx?id=92483>.