

²⁹⁴⁰
HB ~~2019~~ Visibility on Corporate Taxes



House Revenue – Josie Koehne – 3.16.2017

Tax Fairness Oregon supports the transparency that HB ²⁹⁴⁰2019 offers Oregonians and Legislators. This bill requires disclosure of taxes paid and tax incentives received from C corporations that have a partial Oregon tax apportionment. ^{and receive at least \$500 total in tax credits.}

After a decent wait period of three years to ensure tax disclosure can no longer pose a competitive threat, Oregon citizens can see how much revenue comes from each of these corporations in rank order, and, how many total tax credits (expenditures) each receives, and the property taxes they provide.

This information can help both taxpayers and lawmakers see where their subsidies are going, which can serve as basis for comparison and assessment of the tax incentives themselves. For example, if Corporation A with a 50% Oregon apportionment pays \$125K in taxes and a similar Corporation B with a similar apportionment in a like industry pays only 10% of that amount, Legislators and Business Oregon may want to adjust these subsidies for fairness, so that certain companies are not unduly favored over others.

Another factor, which is not in the bill, but would be a nice to know data point in an amendment perhaps, is how many Oregon workers each of these C corps employs so that perhaps future subsidies might favor those that create jobs and produce income tax revenue for Oregon.

This bill is useful for accountability. It helps assess ROI to taxpayers for economic development and business tax subsidies. The real reason corporations and corporate interests may oppose this bill on the basis of privacy concerns is that they may not want everyone to know just how little they are paying in Oregon taxes over the years. And if they are concerned that the figures with carry-overs etc. might be “misconstrued by ignorant people,” they can always submit a letter of explanation to accompany the published report.

In the long run, we think this bill will increase corporate excise tax revenue and encourage the perception that paying taxes is a benefit for Oregon.

We support HB ²⁹⁴⁰2019..