



HB 2274: Don't help businesses juggle their books

Testimony for House Revenue - 2.6.2017 – Jody Wiser

[According to the Tax Foundation, 44 states have a corporate income tax, with the rates ranging from 4.53% in North Dakota to 12% in Iowa.](#) Oregon's corporate income tax rate is 6.6% on the first \$1 million of income, and 7.6% above that. But 4.5 to 12% is not what most corporations pay. For example:

- Johnson & Johnson reports paying .4% in state and local income taxes -- less than ½ of a percent.¹
- Berkshire Hathaway, owner of PacificCorp, BNSF railroad, and now Precision Castparts, reports they pay 1.7% in state income taxes nationwide.²

One method used to reduce state taxes to these non-statutory levels is moving sales to states where they'll be taxed the least. HB 2274 should be designed so as to NOT facilitate that behavior, in particular we should have strong throwback and throwout provisions, so that there is no advantage on Oregon taxes for "Nowhere" income. Thus, we disagree with the testimony of COST on this bill. Don't design our law to create loopholes to help businesses dodge state income taxes.

As this article highlights, [Corporations Cheating Schoolchildren](#), "many of the largest U.S. corporations [aren't paying](#) the state taxes that should be [funding](#) our schools. Kids are the victims."

¹ Pages 48 of their 2015 Annual Report to Shareholders

² Page 60 of their 2015 Annual Report to Shareholders