

**ORGANIZATION *for* INTERNATIONAL INVESTMENT**  
**Global Investment Grows America's Economy**

February 6, 2017

Dear Chairman Hass and Members of the Committee:

The Organization for International Investment (OFII) appreciates the opportunity to comment on SB 30. We urge the Committee to reject SB 30 because it would complicate and expand the scope of ORS § 317.716 (the "Tax Haven Law"), harming Oregon's economic development goals by creating more unpredictability and uncertainty in state tax administration..

OFII is a business association representing the U.S. subsidiaries of foreign-headquartered companies, including many Oregon employers like Daimler, Genentech, Akzo Nobel, Garmin, and TE Connectivity (membership list is attached.) OFII advocates for policies that increase U.S. competitiveness in attracting foreign direct investment (FDI) and provide fair and non-discriminatory treatment for our member companies.

SB 30 would expand the discretion and authority of state auditors when administering the tax haven law. These new auditing authorities would add uncertainty to Oregon employers that have legitimate, non-tax motivated business transactions with affiliates in deemed tax havens. This approach unfairly risks extraterritorial double taxation of global businesses that operate legitimately in these jurisdictions.

OFII believes the underlying blacklist approach is overly broad and represents a barrier to the state's ability to attract and retain foreign direct investment. In Oregon, 52,800 state residents are employed by U.S. subsidiaries of global companies. These are good high-paying jobs, averaging \$71,600 in salary—more than 43% higher than the state's private sector average of \$49,800. U.S. subsidiaries have legitimate, non-tax motivated operations in countries around the world, and would be inadvertently targeted by this statute, putting Oregon workers at risk.

Rather than expand the applicability of the state's fundamentally flawed tax haven law, OFII believes the state should follow the lead of Connecticut, Rhode Island, and D.C. – the last three states to consider tax haven proposals – and replace the tax haven blacklist with clear standards to address abusive transaction and not target all transactions in entire countries.

OFII urges the Committee to vote against SB 30.

For any additional questions, please contact Evan Hoffman, Director of State Government Affairs at OFII, at [ehoffman@ofii.org](mailto:ehoffman@ofii.org) or (202) 659-1903.

Sincerely,



Nancy McLernon  
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Organization for International Investment