



SB 169 End the income tax credit for investing in e-commerce

Testimony for Senate Finance and Revenue – 2.15.2016

We oppose the extension of this, and each of the other income tax credit bills before you this year. Each has been justified as the state's skin in the game, and the last, essential inducement to bring business activities in the state. However, each business eligible for this tax subsidy also uses an enterprise zone tax break, going 3 to 15 years without paying property taxes. Since the state must back fill for any k-12 expenses when property taxes are not paid, the state is actually experiencing 40-41% of the lost revenue with the enterprise zone property tax exemption.

Further, like the other income tax subsidies, we've little or no transparency to judge whether the rate of return is positive or negative for the state. How many jobs, with what salaries are these joint subsidies supporting? Are the call center workers or technicians paid well enough to be self-supporting or are they receiving public subsidies? What is the relationship between the up to \$2 million a year per business this tax break can provide and the benefits the state is receiving?

Unless the businesses that get this benefit are willing to step forward and identify themselves, and let us see all the various public subsidies they are receiving -- the total of taxes and fees they pay, and the number of jobs and salaries they pay, we can't evaluate this agreement. It asks the public to pay for 25% of a business' investment (which they will still depreciate on their income taxes) perhaps reducing their business income taxes to zero while we are also forgiving their property taxes.

This is too much. If you persist in continuing this or the other income tax subsidies before you this year, please demand transparency.