

OREGON'S INVENTORY TAX: OUT OF STEP WITH OTHER STATES IN THE REGION

Oregon is one of only a few states that impose tangible personal property taxes on heavy equipment rentals without providing any other types of relief from the onerous tax. Many other states provide relief, have adopted reforms, or don't levy the tax at all, which puts Oregon at a disadvantage and makes it uncompetitive with other states. Regionally, California and Idaho both provide partial exemptions from the tax. To make Oregon more competitive with its neighbors and other states around the country, it should replace the existing tax with an alternative replacement tax that would ease compliance and also maintain local tax revenue.

