



February 22, 2018

Oregon House Committee on Revenue
900 Court Street NE
Salem, OR 97301

Chair Barnhart and Committee Members:

The Oregon Economic Development Association urges your support of SB 1529A. This bill would link Oregon's tax law to the new federal standards and repeal Oregon's now unnecessary tax haven blacklist, making Oregon more competitive for job-creating foreign direct investment.

OEDA is a statewide non-profit organization working to support economic development professionals who are on Oregon's front line in diversifying and expanding Oregon's economy. OEDA's membership includes a mix of public and private entities from economic development corporations, cities, utilities and other stakeholders interested in attracting investment here in Oregon.

International companies are vital to the economic development and growth of Oregon. Foreign direct investment firms provide jobs to 61,700 Oregonians, a number that has grown by 43 percent over the last five years¹. Nationwide, these companies fund more than 16 percent of all U.S. research and development expenditures, produce 23 percent of U.S. exports, account for 17 percent of U.S. manufacturing workers and pay 24 percent higher wages than the economy-wide average.

The tax haven blacklist law is a clear barrier for international companies in Oregon, as they face penalizing double-taxation simply for having an affiliate located in a blacklisted country. SB 1529A presents a great opportunity to strike this law. The tax haven list is now unnecessary because of federal tax reform. Simply put, Oregon taxes all foreign earnings that will be returned to the United States in the form of dividends, including all that is earned in tax haven jurisdictions.

Investment and growth are not static – if Oregon has discriminatory policies against international firms, the state risks losing its economic edge to other states and countries. Please support SB 1529A because it links Oregon's state policies to new federal standards, which makes the tax haven blacklist unnecessary. If you have any questions or comments regarding our position, please do not hesitate to call (541) 923-5223. Respectfully,

Chad Freeman, Government Affairs Chair

¹ All statistics in this letter represent the latest available data from the U.S. Department of Commerce.