



**GINNY BURDICK  
SENATE MAJORITY LEADER**

February 5, 2018

Senate Committee on Finance and Revenue  
Hearing Room A  
Oregon State Capitol  
Salem, Oregon 97301

Chairman Hass, Vice-Chair Boquist and members of the committee:

During the 2014 legislative session, while I chaired the Senate Committee on Finance and Revenue, we passed HB 4138. This measure established a pilot program to study a change in the method of calculating the sales factor for corporate taxation of interstate broadcasters. Today I am urging the committee to extend the pilot until January 1, 2021 by passing SB 1523.

I believe the ultimate test for a change in this tax methodology is simply fairness. HB 1523 continues the pilot using a market-based approach to taxing these corporations in much the same manner as most multistate corporations determine their sales factor for apportioning their income to Oregon for tax purposes. That is to say, this method uses income from Oregon sales including advertising instead of a methodology attempting to determine audience.

The pilot program ran from 2014 to December 31, 2017. I believe this time frame is inadequate and SB 1523 will extend the program leading to a decision by the legislature over the next few years.

It is my intention to follow this issue to its conclusion and again, urge your support for SB 1523.

Thank you and sincerely,

Ginny Burdick  
Oregon Senate Majority Leader  
Senate District 18

