



HB 2546: Don't eliminate corporate taxes for some taxpayers

House Revenue Committee – Jody Wiser – 2.14.2023

My name is Jody Wiser and I am representing Tax Fairness Oregon, a network of volunteers who advocate a rational and equitable tax code.

At one time, corporate taxes in Oregon were based on three equal factors: Oregon sales, Oregon payroll and Oregon property. Other states followed the same pattern. Over time things changed in Oregon and in most other states. Oregon moved to single sales factor, taxing only on Oregon sales. That means that some businesses that exist here, hire our educated citizens, use our roads, courts and public safety services while paying little no income taxes because all their sales are outside of Oregon.

Across the country, other states tax the income of businesses based on various similar and dissimilar metrics. But there are a few states that don't tax corporate income at all. In Oregon, in addition to taxing income based on sales in Oregon as a percent of total corporate sales, we also tax income that is not taxed anywhere else.

This bill would eliminate that provision creating "nowhere income" from some businesses.

We support continuing the general rule that sales made to states where the taxpayer is not taxable are considered sales in Oregon for apportionment of business income for corporate excise tax purposes.

We urge a no vote on HB 2546