

Chair Nathanson, Vice-Chairs Reschke and Walters, and members of the House Committee on Revenue,

I am writing on behalf of AFT-Oregon. We are a labor federation of unions across the state in early learning, K-12 schools, and our state's public colleges and universities. Our unions represent over 18,000 essential staff, instructors, faculty, and employees who support our students and advocate for the public good. **AFT-Oregon supports HB 4014 and the -1 amendment and views this task force as essential and urgent to address revenue stability and fairness for our future.**

We are living in an era of income inequality that has never been seen before. For each year for 30 years, the gap between the richest and average working people has grown deeply, especially when factoring income from not only wages and salaries, but interest on savings, investments, and profit sharing. The top 0.01% have seen their income grow over 800% over the past 30 years, adjusted for inflation, while the bottom 20% of earners' increase is in the single digits. Today, the richest 1% make nearly 139 times as much as the bottom 20%. This can be seen as a transfer of wealth that should have been shared equitably, transferred right to the top.

Corporate profits can be a key vehicle of wealth transfer – with benefit packages for CEO and executive level corporate individuals skyrocketing in this same 30-year period to the highest levels ever. CEOs and Presidents no longer live in the same neighborhoods or cities as their workers. When a global multi-national corporation achieves record profits – profits gained *after* taxes – that money is not being invested in Oregon workers. It is not reaching anyone in this room.

It is important for corporate profits to be taxed fairly and equitably. Because resilient, stable, long-term economies are built bottom up. School teachers, local agriculture, mom & pop stores, artists in your neighborhood, a homegrown coffee shop down the street, housing developers by-and-for your community, these things are what make Oregon not only wonderful but economically resilient to the whims of global corporations' decisions to open or close a facility, to invest or pull back, to open or close, and decisions by the Federal government such as tariffs, and worldwide events.

Corporate taxes that are fair exist to help ensure that money earned by large companies and corporations not only pay CEOs and executives, but re-invests in public infrastructure, public schools, public utilities, and public workforce programs. Income inequality and tax inequality prevent us from these investments and from building an economy that works effectively with stability.

The Foreign-Derived Deduction Eligible Income (FDDEI) tax break rewards corporations for generating income overseas by reducing their effective tax rate in Oregon. The Net CFC Tested Income, formerly the Global Intangible Low-Taxed Income (GILTI), allows corporations to exclude up to 80% of their profits related to overseas activities. These global, overseas loopholes are not fair to Oregonians. Corporate tax as a share of Oregon's revenue has fallen for years while we are seeing revenue being insufficient to invest in the programs we know are needed for a resilient vibrant bottom-up economy. We are seeing a revenue crisis firsthand and in real-time. We need fairness.

HB 4014 -1 is important for lawmakers to work together, dig deep on international income taxation, find a shared understanding, and chart a **fair** path forward that can **fund** the **future** Oregonians **deserve**.

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