

Testimony to the Oregon House Revenue Committee

“Task Force on International Taxation” is Unnecessary

February 11, 2026

Chair Nathanson, Vice Chairs Reschke and Walters, and Members of the Committee:

For the record, my name is Jeff Newgard with the Smart Growth Coalition. We represent traded-sector businesses committed to sound tax policy that encourages investments and prioritizes technical simplicity in Oregon’s tax system.

We oppose the creation of the task force outlined in the -1 amendment. **To put it simply, Oregon has already done this work.**

Oregon has already engaged in an extensive, multi-session effort to determine the tax treatment of global income. In 2018 and 2019, the legislature held numerous hearings and convened workgroups to address complex policy details, like inclusion mechanisms and apportionment. The framework that emerged was deliberate and thoroughly vetted.

After Congress passed the Tax Cuts & Jobs Act, it was one of our members who identified a quirk in Oregon law that would have resulted in a new tax on the repatriated earnings of global companies counterintuitively reducing state taxable income. We brought that issue forward and supported fixing it. We did the same during the 2019 session when it came to including GILTI in the tax base. In both cases, we worked collaboratively with the Department of Revenue and this body to find a policy that was workable, legally sound, and certain.

To our knowledge, Oregon was the only state where a business community proactively supported including these taxes in the tax base. Elsewhere, business groups fought these efforts with varying degrees of success. We chose tax certainty and to have a seat at the table. It is also worth noting that the advocates asking you to unwind those policies chose not to participate in that process. That absence matters. In 2018 and 2019, the process was not driven by rhetoric but by the shared goal of a tax system that functioned as intended.

The idea of a study or report is not novel. In other states, similar task forces have been convened at the urging of national advocacy groups advancing expansive tax proposals. Those reviews produced complex and often indeterminate findings, reflecting the inherent tradeoffs in this area of law. When legislatures declined to adopt sweeping changes, the response was not acceptance of the analysis, but, rather, to find a different venue.

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We have repeatedly demonstrated our willingness to engage constructively to address technical problems and promote sound tax policy. The problem with this amendment, however, is its premise — that a technical area of tax law should be turned into an ongoing political exercise.

We respectfully urge the committee not to adopt the -1 amendment.