March 2, 2017

To: House Revenue Committee
   Chair, Representative Phil Barnhart

Re: HB 2830 – Providing for revenue raising; increases corporate excise tax rates – SUPPORT

The League believes that running an efficient and economical government requires adequate funding, with an equitable, stable, and flexible taxation system. Our priority this session is focusing on our state budget shortfall. We are observing your deliberations and joining you in examining this puzzle. In fact, we have been studying Oregon’s taxation landscape since 1963. Oregonians are now facing program cuts, tax expenditure whittling, and yes, we expect you to be raising revenue, the T-word, taxes.

The corporate excise tax increase proposed in this bill is a modest incremental change, four-tenths of one percent. For a corporation’s Oregon income, it increases from the existing 6.6% to 7%, for income up to $1 million, with the same 0.4% bracket increase for any income over $1 million, from 7.6% to 8%. Therefore, for an income of $1 million, the tax goes from the current $66,000 up to $70,000. We submit that the proportional higher bracket increase is not overly burdensome to business.

We suggest that most businesses benefit from investing in our economy and will be willing to make this adjustment. Oregon’s lifestyles, public schools and other public services can attract good employees. Moreover, reliable services can help to provide a more vigorous customer base. Oregonians will be tightening our belts this biennium. With Oregon corporate tax rates among the lowest in the nation, this adjustment is reasonable. We urge SUPPORT.

Thank you for the opportunity to discuss this legislation.

Norman Turrill
LWVOR President

Rebecca Gladstone
LWVOR Governance Coordinator