

Single Sales Factor Example - Nike, a nationwide company with significant Oregon presence

Apportionment Factors - Conservative Estimate of Percents

Sales
Property
Payroll

2 - double Oregon's percent of national economy; even at 5% still about \$16 million in savings
75 - probably low; roughly 80% of square footage in Oregon
50 - low; one half of US workforce in Oregon

How apportionment factors work in various formulas:	Equal Weighted (Pre-1991) Each 33-1/3	Double Weighted Sales (1991-2003) 50-25-25 Formula	Single Sales Factor (2005 onward) 100-0-0 Formula
Sales	2.0%	2.0%	2.0%
Property	75.0%	75.0%	75.0%
Payroll	50.0%	50.0%	50.0%
Percent of Profits Subject to Oregon Tax	42.3%	32.3%	2.0%
Percent Change from Double Weighted			-93.8%
Percent Change from Equal Weighted Sales		-23.8%	-95.3%

Oregon Corporate Tax Rate 6.60%

EXAMPLE - See how it works with real numbers

NIKE US Profits - 2006

From Nike's 2006 10-K, Note 8

\$838,600,000

Estimated Oregon Taxes at 2006 profits BEFORE tax credits	\$23,430,484	\$17,849,601	\$1,106,952
Annual Loss of Tax Revenue (savings to Nike) Compared to Double Weighted Sales			-\$16,742,649
Annual Loss of Tax Revenue (savings to Nike) Compared to Equal-Weighted Sales		-\$5,580,883	-\$22,323,532

Source: Oregon Center for Public Policy analysis of Nike SEC 10-K and ECONorthwest 2006 report on Nike

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