

# Toward Prosperity for All Oregonians

## Shine a light on corporate taxes

Oregon can take an essential step to fix the widespread problem of corporate tax avoidance by enacting corporate tax transparency. Transparency means requiring corporations to make public how much they pay in Oregon income taxes, as well as enough information to understand what benefits Oregonians get from the many tax loopholes and subsidies that corporations exploit.

To fix Oregon's corporate tax system, we need more information. The Corporate Tax Transparency Act would provide that information, by requiring large corporations to disclose certain tax and financial information. The Act increases accountability and fairness, serving the interests of all Oregonians.



## Oregon's corporate income tax has gone awry

**It is evident corporations have rigged the system to their benefit. Specifically:**

- The share of Oregon income taxes paid by corporations (a tax on corporate profits) is near an all-time low, at a time when corporate profits are high.
- Multinational corporations artificially shift profits abroad to avoid income taxes here.
- Corporate tax loopholes and subsidies have proliferated over the decades.
- About 7 in 10 corporations – including half of corporations with Oregon sales over 100 million – pay the minuscule corporate minimum tax.

When corporations use secrecy to avoid taxes, families and individuals are left to pick up the slack or public services go underfunded – and often, it is both.



# Corporate Tax Transparency Act requires disclosure from large corporations

The Act applies only to C-corporations (not LLCs, or any other business type) that meet all of the following conditions:

- **Multistate:** They operate in more than one state, not just Oregon.
- **Publicly-traded:** They are listed on a stock exchange such as the NYSE or NASDAQ.
- **Tax expenditure:** They use a tax credit, deduction, or other tax subsidy.

Corporations subject to the Act must disclose to the Secretary of State information such as their Oregon sales, Oregon property and income taxes paid, tax breaks used, and more.

## Corporate tax transparency serves the interests of all Oregonians

The Corporate Tax Transparency Act increases accountability and fairness by:

- **Shining the light.** It provides Oregonians the information needed to reform the corporate income tax system.
- **Discouraging bad behavior.** Knowing the information will become public, corporations may limit aggressive tax avoidance. At least, consumers can “vote with their dollars.”
- **Showing cost-benefit.** Transparency allows Oregonians to better understand whether tax subsidies are working as intended, and what the return is on those subsidies.
- **Corporate accountability.** Enable policymakers to evaluate corporate claims about the impact of proposed tax changes.



**Support HB 2976/SB 312 to advance corporate tax transparency!**



**Contact for more information or to get involved:**

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**Note:** See OCPP's new report on corporate tax transparency for more information, at <https://www.ocpp.org/2021/01/14/corporate-tax-transparency/>.