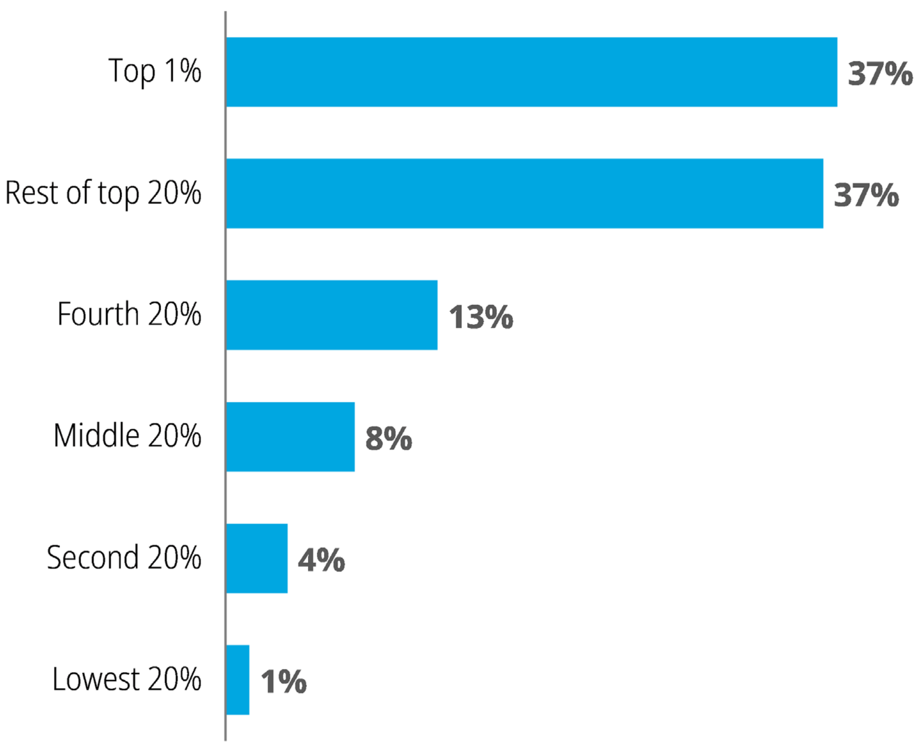
How to pay (PAE) for it? Enact complete reporting.

Making Oregonians more economically secure requires investing in our well-being: housing, education, child care, and more. One fair way to pay for these investments is to fight corporate tax avoidance by enacting complete reporting.

There is a long history of large, multinational corporations shifting profits to low-tax countries to avoid taxes owed in the United States, including to Oregon. Complete reporting would require multinational corporations to include in tax calculations their worldwide business activity, instead of just the activity occurring within the United States — a move that would prevent many tax avoidance techniques. Instituting complete reporting would force corporations to pay what they owe.

Revenue from complete reporting comes from the rich

Average tax increase by income group



Source: OCPP analysis of Institute on Taxation and Economic Policy data.

For full citations and other publications in the How to PAE For It? series please read this report on our website OCPP.org/how-to-pay-for-it/

Good tax reform is Progressive, Adequate, and Equitable (PAE)

Good tax reforms share three characteristics. They are **progressive,** asking proportionately more of the rich than the poor. They are **adequate**, meaning they raise enough revenue to support the public services Oregonians need. And they are **equitable**, helping reduce economic disparities that are the product of our nation's history of racial and gender exclusion and oppression.

Progressive: Complete reporting targets high-income shareholders around the world

Enacting complete reporting in Oregon would raise the taxes of investors in the multinational corporations that engage in offshore tax avoidance. Investors in large multinational corporations largely reside outside of Oregon, including outside of the U.S. The Institute on Taxation and Economic Policy (ITEP) estimates that 35 percent of revenue raised by complete reporting would be paid by foreign investors, 54 percent would be paid by American investors who live outside of Oregon, and 11 percent would be paid by Oregonians. Of the Oregonians who would pay higher taxes as a result of complete reporting, the top 1 percent would account for one-third (37 percent). By contrast, the bottom 80 percent of Oregon taxpayers would pay close to no additional tax each year.

Adequate: Complete reporting can raise $164 million to $393 million each budget period

Oregon could raise an estimated $164 million to $393 million in additional revenue per budget period by shifting to complete reporting. These dollars would be coming exclusively from multinational corporations that sell goods or services in Oregon — corporations that use Oregon's infrastructure, public safety, and other shared services, but shift some of their profits overseas. That level of revenue is enough to pay for childcare for more than 5,000 Oregon toddlers.

5,000

The number of toddlers who could access pre-school with the money raised from this reform.

Equitable: Complete reporting could improve equity

As noted before, enacting complete reporting would raise revenue from large, multinational corporations and their shareholders and investors. While there is insufficient data on the racial and ethnic breakdown of these international shareholders, evidence shows that U.S. owners of stocks, bonds, and businesses are disproportionately white.