



# NEWS

Oregon Legislature - House Democratic Caucus

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## **House Passes Bill to Increase Transparency of Tax Expenditures**

*HB 2825 seeks to shed light on the effectiveness of tax expenditures intended to promote economic growth*

SALEM – The House today passed HB 2825, which seeks to shed light on the effectiveness of tax expenditures intended to promote economic growth. Tax expenditures are tax deductions or tax credits used by businesses or individuals to reduce their tax liability.

“Oregon spends hundreds of millions of dollars on tax expenditures based on promises of economic development with limited ways of confirming that we are achieving the promised results,” said Rep. Barnhart. “This bill gives us an additional tool to ensure we are getting what we pay for.”

HB 2825, co-sponsored by Representative Phil Barnhart (D-Central Lane and Linn Counties), requires state agencies to report on tax expenditures for economic development purposes. The bill requires the following information to be posted on the transparency website:

- Name and address of taxpayer receiving tax expenditure related to economic development;
- Amount of tax expenditure received;
- Promised and actual results related to the project receiving the tax expenditure;
- An explanation of the agency’s certification decision.

“Spending on tax breaks should be treated the same as spending on programs,” said Rep. Barnhart. “By putting this information online, as is currently the case with other areas of the budget, we move one step closer to that goal.”

In 2009, House Democrats passed legislation to sunset all existing tax credits on a rolling basis. The first 23 of those tax credits are now under review.

HB 2825 now moves to the Senate for consideration.

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