



SENATE MAJORITY OFFICE

Oregon State Legislature
State Capitol
Salem, OR

NEWS RELEASE

May 9, 2013

CONTACT: Tom Powers (503) 986-1074
tom.powers@state.or.us

Legislation provides clarity for Oregon businesses on taxes

SB 307A gives the state and local businesses certainty that they will continue to use the single sales factor

SALEM—The Oregon Senate this morning passed a bill that provides tax clarity for businesses in the state. SB 307A, which passed the Senate on a 29-0 vote with one absent, revises Oregon’s participation in the Multistate Tax Compact, making it clear that the state will continue to use the single sales factor for purposes of Oregon businesses’ tax apportionment.

“Today the Senate has taken swift action to pass a proposal that will provide tax certainty and pave the way for more companies to relocate here,” said Senator Ginny Burdick (D-Portland), chair of the Senate Finance and Revenue Committee. “SB 307A protects Oregon’s reputation as a great place to do business while ensuring much-needed revenue for vital state services like education and health care.”

SB 307A will boost job creation in Oregon by making it abundantly clear to corporations and businesses that the state will not unilaterally change the way business taxes are calculated. Oregon initially adopted the Multistate Tax Compact in 1967 in order to assist corporations doing business in more than one state pay their fair amount of taxes. Since then, Oregon has moved to calculating corporate taxation solely through the single sales factor, which only takes into consideration sales within Oregon’s borders.

“Guaranteeing use of the single sales factor will provide accountability and fairness for Oregon taxpayers as well as revenue certainty for the state,” said Senator Alan Bates (D-Medford). “With SB 307A, we can safeguard state funding for vital services and assure businesses that we aren’t changing our rules on revenue apportionment.”

During the 2011 and 2012 sessions, Senate Democrats took the lead on improving Oregon’s economic development strategy to recruit companies outside the state to relocate here and help local businesses grow. This session, Senate Democrats will build on that progress by providing more tools for industrial recruitment and business expansion. SB 307A is one of a number of jobs bills that Senate Democrats hope to advance in the 2013 session.

SB 307A expands on legislation from the December 2012 special session, which provided the state with an additional tool to recruit companies and make strategic investments to attract business.

The bill now goes to the Oregon House of Representatives for consideration.

###

For more information on the Senate Majority Caucus, please visit www.orsenatemajority.org