



SENATE MAJORITY OFFICE

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Senate closes corporate loophole for offshore tax havens

Senate Democrats prioritize critical state services over tax breaks for corporations by passing HB 2460B

SALEM—This afternoon, the Oregon Senate voted to prioritize funding for critical state services over tax breaks for big corporations. House Bill 2460B, which passed on a vote of 28-1 with one excused, requires corporations that file Oregon taxes to include income from subsidiaries established in offshore tax havens like the Cayman Islands.

“Corporations should not have the ability to use loopholes like offshore tax havens to avoid paying their fair share for services that Oregonians rely on,” said Senate Majority Leader Diane Rosenbaum (D-Portland). “By closing this loophole, we can direct millions of dollars in funding to education, public safety, and health care instead of sending it to places like Bermuda or Monaco.”

Each year, corporations use complicated accounting tricks to shift profits to offshore accounts, costing the state of Oregon millions of dollars in lost revenue.

House Bill 2460B closes this loophole for corporations to hide their income in 39 countries that are considered offshore tax havens. The Legislative Revenue Office estimates that HB 2460B will provide for an additional \$18 million in revenue for 2014, with a larger return in future years.

“Corporations should not have the ability to hide income in these exotic places to avoid paying taxes,” said Senator Ginny Burdick (D-Portland), chair of the Senate Finance and Revenue Committee. “Closing this loophole helps to level the playing field between big companies, small businesses, and everyday taxpayers to make sure we are all supporting the state services that are critical for Oregonians.”

House Bill 2460B will now go to the Oregon House of Representatives for consideration of amendments made to the bill in the Senate.

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