

The Finding Funding Project #2

The Business Fix Raise the Corporate Minimum

\$500 million? \$ 1 billion? More?

Our Situation Now

In 2010, Measure 67 set Oregon's new Corporate Minimum Tax at an exceptionally low level. Seven years later it is overdue for an adjustment to a more reasonable level. Imagine getting an insurance policy that protects your personal assets, gives you access to courts and the state crime lab, educated employees, and more -- all at a cost of less than 10 cents of every \$100 in income. Further, under current law, if a corporation sells more than \$100 million in goods or services to Oregonians, its taxes might be capped at \$100,000, even if it is selling \$1 billion, owns many more stores, and has many more customers, employees and assets than one selling \$100 million. Why should a corporation doing \$1 billion in business in Oregon pay the same tax as one doing \$100 million in business? What is the justification for a cap at all?

The Need

A Corporate Minimum Tax update that respects the idea of basic fairness among businesses and between corporations and people. If you take away the subtractions, deductions and credits, Oregonians pay \$5.90 in taxes on every \$100 they earn. Wouldn't it be fairer to ask corporations to pay at least 59 or 90 cents in Oregon taxes on every \$100 they earn?

The Solution

Adopt a new Corporate Minimum Tax:

Keep the same \$150 base for all s-corps and for c-corps doing less than \$500,000 of business in Oregon. Thus the tax remains the same for small business.

For large c-corporations, set the corporate minimum tax at \$150 plus 59 cents or 90 cents for every \$100 of income.

