Corporation Tells Truth About Tax Subsidy

Published on Oregon Center for Public Policy

by Chuck Sheketoff

How refreshing it is to hear a corporation be honest and admit that a tax subsidy is a giveaway, not an incentive.

While too often corporations go around the state capitol with hat in hand asking for "tax incentives," claiming that they will create jobs if given millions of dollars, research shows that these expensive tax deals are often a misuse of taxpayer dollars. The subsidies generally don't make or truly encourage corporations to do anything that they wouldn't otherwise do. Of course, you rarely hear corporations publicly admit that – until now.

At a recent hearing of the Oregon House Committee on Revenue, corporate representatives testified on behalf of House Bill 2752. This bill would double the size of the Oregon research and development tax credit and make it refundable for some recipients.

One of those testifying in favor of the bill was Mark Modjeski. He is tax director of Tektronix. Tektronix, or Tek, as many Oregonians call it, got its start in 1946 in a garage on Southeast Foster Road in Portand.That start was the big bang that created the first galaxy in what has come to be called the Oregon Silicon Forest Universe(PDF).

From the opening questions, it seemed that the Revenue Committee was not about to rubberstamp the bill, despite two lead sponsors being members of the committee. Committee members pressed the witnesses to provide evidence, not just rhetoric, that the research and development tax credit works –

that it prompts corporations to invest when they otherwise wouldn't.

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In the highlight of the hearing (see video clip above), Committee Vice-Chair Representative Cliff Bentz (R-Ontario) asked, ". . . . Why does this [R&D tax credit] make your presence here more productive than it might otherwise be? And I need specifics, because we've got to measure back why we're doing this."

After a pregnant pause, Modjeski replied (video): "I think that's a tough question, in all honesty. I mean, would Tektronix be doing anything different in its business if did not have a credit on its books? I would say no. I'll be on record saying that."

For years, the Oregon Center for Public Policy has called the R&D credit a "gravy train". And we said it again this year (PDF). (Click here to watch the entire committee hearing).

It was refreshing to hear Tektronix speak the truth.

Hundreds of Corporations

Escape the Minimum Tax

Published March 30, 2015 by Oregon Center for Public Policy

Although Oregon has a minimum income tax for corporations, 492 corporations paid less than the minimum in tax year 2012.[1] Some corporations paid nothing at all.

When corporations avoid the minimum tax they deprive the state of revenue to invest in schools and other key public structures. Lawmakers should reinstate the corporate minimum tax for all corporate taxpayers.

Download a copy of this fact sheet:

Hundreds of Corporations Escape the Minimum Tax (PDF)

How Can a Corporation Pay Less Than the Corporate Minimum Tax?

Oregonians expect all corporations to pay something to support the common good. The corporate minimum tax has been on the books since 1929. In 2010, Oregon voters affirmed a new corporate minimum tax structure that had been approved by the 2009 legislature.

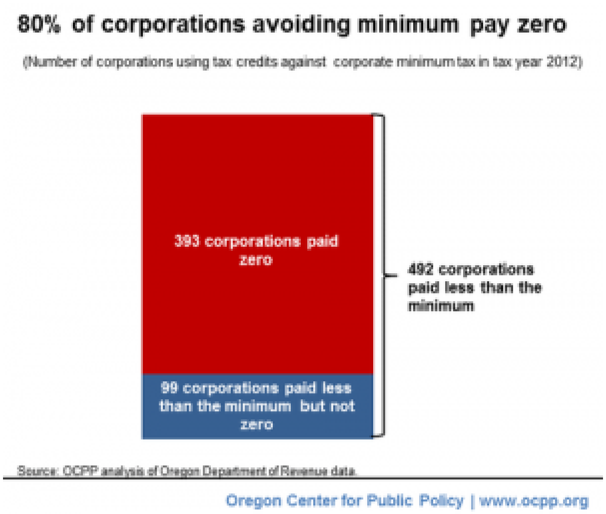
A 2013 Oregon Supreme Court decision, however, enabled corporations to avoid paying the minimum tax. In a lawsuit brought by the trucking company Con-way, the court ruled that corporations could apply certain tax credits to reduce or cancel their Oregon corporate minimum tax obligations.[2] The Con-way ruling opened the door for other corporations to reduce, or wipe out entirely, their minimum tax bill.

Most Corporations Avoiding the

Minimum Pay Nothing

In tax year 2012, 492 corporations paid less than the minimum tax through the use of tax credits.[3] Of those, 393 paid no minimum tax.

That means that of all the corporations that avoided paying the minimum, 80 percent of them got down all the way to zero.



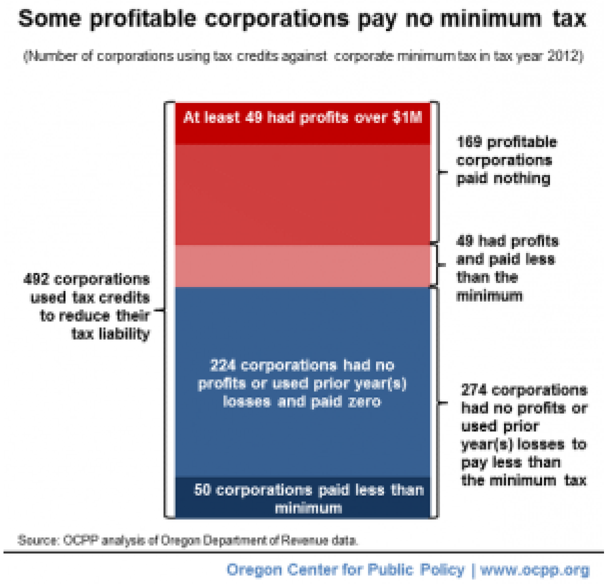
Some Profitable Corporations Pay Zero Income Taxes

Of the 492 corporations that paid less than the minimum tax in tax year 2012, 218 had "taxable income" — profits for tax purposes. Taxable income is what is left after a company subtracts business expenses and other deductions under tax code accounting rules, not general accounting rules.

Of these 218 profitable corporations, 169 paid zero in taxes.

Among the group paying zero were at least 49 corporations with profits over $1 million.[4]

The remaining 274 corporations paying less than the minimum either had no profits for tax purposes or used prior year(s) losses to reduce profits to zero. Of those, 224 corporations paid nothing.

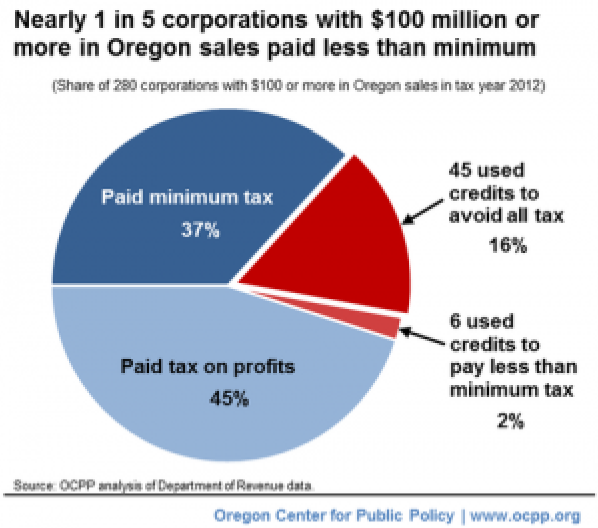


Some Corporations with the Highest Level of Oregon Sales Pay No Income Taxes

For the 2012 tax year, 280 corporations reported Oregon sales of $100 million or more.

Of that group, nearly one in five (18 percent) paid less than corporate minimum in tax year 2012.

Specifically, 51 paid less than the corporate minimum tax, and 45 of those got away with paying nothing.



What Are the Names of the Corporations Avoiding Oregon's Minimum Tax?

Lawmakers and the public do not know the names of the corporations paying less than the corporate minimum tax. Oregon lawmakers have not set up a system that would require corporations to disclose their tax liability to the public.

Avoidance of the Corporate Minimum Tax Costs Millions

If the legislature fails to fix the problem, the court-sanctioned end-run around the corporate minimum tax will cost a projected $18 million during the 2015-17 budget period and about $19 million during 2017-19.[5]

Conclusion

Corporate tax avoidance harms all Oregonians. The loss of tax revenue shifts the cost for state services to other taxpayers. It also makes it harder for Oregon to put more teachers in classrooms, make college more affordable and invest in the other public structures that create opportunity and a strong business climate.

The 2015 Oregon legislature should close the corporate minimum tax loophole. Doing so would ensure that all corporations contribute something to support the common good.

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[1] Unless otherwise noted, all figures are OCPP analysis of Oregon Department of Revenue, Oregon Corporate Excise and Income Tax: Characteristics of Corporate Taxpayers, 2014 and Department of Revenue data emailed from Mary Fitzpatrick, Oregon Department of Revenue, to Tyler Mac Innis, Oregon Center for Public Policy, March 10, 2015.

[2] But for the Supreme Court decision, Con-way would have paid a $75,000 corporate minimum tax based on having $79 million in Oregon sales. The court allowed Con-way to use business energy tax credits it had purchased to offset the minimum tax.

[3] The term “corporations” in this report refers to C-corporations. The number of corporations paying less than the corporate minimum could change as a result of amended tax returns.

[4] When showing the number of companies paying no minimum tax, for confidentiality reasons the Department of Revenue (DOR) combines the number of companies with profits between $500,000 and $1 million with those of $1 million or more in profits. DOR documents show that 12 companies with profits

between $500,000 and $1 million used credits to reduce at least some of their taxes in tax year 2012. DOR data also shows that 61 companies in the combined category of $500,000 or more in profits reduced their taxes to zero. To make the most conservative estimate of the number of companies with profits above $1 million who paid zero in taxes in 2012, one should assume the 12 companies with profits between $500,000 and $1 million all reduced their taxes to zero. Therefore, at least 49 (61 minus 12) of the corporations with taxable income of $1 million or more paid zero in taxes.

[5] Email from Christopher Allanach, Oregon Legislative Revenue Office, to Chuck Sheketoff, Oregon Center for Public Policy, July 24, 2014.

– See more at: http://www.ocpp.org/2015/03/30/fs20150330-corporations-escape-minimum-tax/#sthash.xlRksZz4.dpuf

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Food Stamp Use and Oregon's Commitment to Help Families

by Chuck Sheketoff

Oregon has one of the nation's highest use of the Supplemental Nutrition Assistance Program (SNAP), commonly known as food stamps, new federal analysis (PDF) shows. That reflects well on Oregon.

It's true that economic hardship leaves many Americans and Oregonians struggling to put food on the table. Too many workers don't earn enough and thus need to rely on SNAP to feed their families.

Yet Oregonians' reliance on SNAP also reflects Oregon's commitment to helping people struggling to put food on the table.

As [Josh Lehner of the Oregon Office of Economic Analysis explains], Oregon is special when it comes to addressing hunger and food insecurity. Oregon has one of the highest rates of SNAP usage as a percent of households while having the 19th highest poverty rate. States with similar poverty rates to Oregon (those in the 16 to 17 percent range) have an average SNAP usage rate of 13.9 percent, compared with Oregon's 19.8 percent. He illustrates the point with the following chart:

And what explains Oregon's exceptional status? Lehner notes, "Oregon is successful in not only enrolling eligible individuals in SNAP but also keeping them enrolled while eligible." Oregon's enrollment success is well documented. A [recent USDA study] (PDF) showed that in 2012 Oregon excelled in enrolling people eligible for SNAP, and tied for fifth best for enrolling the working poor.

Oregon's success in enrolling people is the payoff from having an outreach program. Getting that [outreach program established was one of the Oregon Center for Public Policy's first efforts] with our colleagues fighting hunger.

High enrollment boosts Oregon’s economy. Federal data shows that about $1.2 billion flowed into Oregon in 2014 from the food stamp program. That’s a large infusion of money into Oregon’s economy that gets spent in communities throughout the state. It’s no wonder business interests like the food stamp program.

Oregon’s commitment to SNAP means that thousands of families are better able to put food on the table. The task now is for policymakers to devote the same kind of commitment to addressing the root cause of hunger: workers who don’t earn enough to escape poverty and achieve economic security.

Oregon Tax System Does Better Job Than Most in Not Worsening Income Inequality

Published by [Oregon Center for Public Policy]

Every state tax system in the country makes income inequality worse, but Oregon’s tax system does so less than most, according to a report released today by the Washington, D.C.-based Institute on Taxation and Economic Policy (ITEP).

Oregon’s tax system is one of the nation’s least regressive, due to the absence of a sales tax and the inclusion of a refundable state Earned Income Tax Credit (EITC), said Chuck Sheketoff, executive director of the Oregon Center for Public Policy, who examined the ITEP report. Only two states, Delaware and California, and the District of Columbia have tax systems that are less regressive.

The state tax system that most exacerbates income inequality belongs to Washington state, according to ITEP. Washington has a sales tax but no personal income tax — the opposite of Oregon's system.

“This report should give pause to those who point to Washington in urging Oregon to adopt a sales tax and scale back our income tax,” said Sheketoff. “With income inequality at record highs, making our tax system even more unfair would be the wrong way to go.”

Though Oregon's tax system compares favorably to that of most states, state and local taxes still take a bigger bite out of the pocketbooks of poor and middle-class families than those of wealthy families.

Adding up all state and local taxes, Oregon's low-income families have the highest effective tax rate (8.1 percent) of any income group. Meanwhile, the wealthiest 1 percent of families have the lowest effective tax rate (6.5 percent).

Middle-income families in Oregon also pay a larger share of their income than the wealthiest families. Families in the middle have an effective tax rate of 7.6 percent.

The ITEP study, Who Pays?, takes into account all major state and local taxes, including personal income taxes, corporate income taxes, sales taxes, property taxes and excise taxes such as gasoline and cigarette taxes. It also factors in federal income tax rules that allow taxpayers to deduct state and local property and income taxes.

“While Oregon's tax system is one of the best, lawmakers should still look for ways to make it more in tune with people's ability to pay,” said Sheketoff. “A progressive tax system reflects our values of fairness and opportunity.”

Sheketoff said that lawmakers can improve the system by eliminating tax subsidies that mainly benefit the wealthy, raising the top marginal tax rate, strengthening the EITC and providing a property tax circuit breaker.

“Income inequality is the defining challenge of our time,” Sheketoff said. “We certainly shouldn’t pass tax laws that make matters worse. On the contrary, our tax system needs to evolve to meet that challenge posed by inequality.”

The Oregon Center for Public Policy is a non-partisan, non-profit institute that does in-depth research and analysis on budget, tax and economic issues. The Center’s goal is to improve decision making and generate more opportunities for all Oregonians.

Move Across State Lines for $40 a Month?

Published October 7, 2014 by [Oregon Center for Public Policy]()

By Chuck Sheketoff

Say that you’re the sole breadwinner for your family and you earn $100,000 a year in Oregon. Would you pack your belongings and move your family north to Washington for a $40 monthly raise? It’s hard to imagine.

That is why any Oregon business worried that it might lose employees to firms in Washington or other states, or have better employee retention if the company relocates outside Oregon, can rest assured. Generally, taxes matter little, if at all, when it comes to where people choose to locate. And

Oregon’s tax structure in particular should make little difference to workers on whether to stay or go.

There is no shortage of research demonstrating that personal income tax rates have a negligible impact on people moving from state to state.[1] When most people move – across town, to another part of the state, or even to a different state – it’s generally for better schools, a higher quality of life, a major career opportunity, better weather or family reasons.

In any event, the tax difference between Oregon and other states is small or even in Oregon’s favor, as demonstrated by an analysis conducted by the nonpartisan Institute on Taxation and Economic Policy (ITEP).

The Center asked ITEP to compare the state and local taxes paid by Oregon families earning $50,000 and $100,000 with families earning the same amounts in California, Washington, Idaho and Texas – four states Oregon business leaders sometimes cite as our competition.[2]

Households with $50,000 a year in income – middle-income households – have a slight tax advantage in Oregon. They would pay more in state and local taxes if they lived and worked in each of those four other states. How much more? They would pay about $115 more per month in taxes in Washington, $10 more in Idaho, $40 more in Texas and $25 more in California.[3]

Households earning twice that – $100,000 a year, placing them in the top 20 percent of income earners – have a tax disadvantage in Oregon compared to Washington and Texas, but the difference is minimal. Such families would save about $40 a month in state and local taxes by moving to and working in Washington. Those families would save $100 per month if they moved as far as Texas for similarly paid work. On the other hand, the workers would pay $25 more each month in taxes in Idaho and $10 more in California.

Taxes don't matter much, if at all, when it comes to employees making choices about where to work. Part of the reason taxes don't matter much is that the difference between Oregon and other states is small or even in Oregon's favor. Oregon business leaders have no reason to worry about losing middle-income employees or their higher-income counterparts due to competing tax systems.

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[1] Mazerov, Michael, State Taxes Have a Negligible Impact on Americans' Interstate Moves, Center on Budget and Policy Priorities, May 21, 2014; Tannenwald, Robert et. al., Tax Flight Is a Myth: Higher State Taxes Bring More Revenue, Not More Migration, Center on Budget and Policy Priorities, August 4, 2011; Young, Cristobal and Charles Varner,Millionaire Migration and State Taxation of Top Incomes: Evidence from a Natural Experiment, National Tax Journal, June 2011; Young, Cristobal and Charles Varner,Millionaire Migration in California: The Impact of Top Tax Rates, 2012.

[2] From 1993 to 2010, Oregon had net out-migration to six states. Texas and California were not among them. In fact, there has been massive net in-migration to Oregon from California. The only state that has had significant net in-migration from Oregon is Washington. A lot of those people move from Oregon to Washington suburbs for lower housing costs, but work in Oregon where their incomes are still taxable. Mazerov, Michael, State Taxes Have a Negligible Impact on Americans' Interstate Moves, Center on Budget and Policy Priorities, May 21, 2014,

[3] This analysis uses California's current, temporary tax rates. When these temporary rates expire, the rates will decline. Under the lower permanent rates, there is no

difference for the $100,000 per year household, and the difference for the $50,000 per year household goes down to $250 per year.

Oregon Minimum Wage Increases, Though Not Enough for Economic Security

By the Oregon Center for Public Policy

Oregon's minimum wage will edge up 15 cents per hour next year to keep up with the rising cost of living. Though welcomed, that increase is not enough to provide families a basic level of economic security, according to the Oregon Center for Public Policy.

The new $9.25 an hour minimum wage announced today by Bureau of Labor Commissioner Brad Avakian, set to take effect on January 1, 2015, means an extra $26 per month for a full-time worker earning the minimum. The change is the result of a ballot measure enacted by voters in 2002 tying the minimum wage to inflation.

"Today's economic reality – rising income inequality and too many working families living in poverty – speaks to the need to go beyond cost-of-living increases," said Janet Bauer, a policy analyst with the Center. "While Oregon voters were wise in tying annual adjustments to inflation to make sure that our lowest-paid workers don't fall further behind, we need a minimum wage increase that makes forward progress."

Even with the annual increase, Oregon’s wage floor will remain below its historical high. In 1968, the federal minimum wage was higher than Oregon’s minimum wage, so the federal wage set the floor. If the minimum wage had kept up with the cost of living since 1968, it would stand at $10.95 next year, Bauer said.

Another indication that the minimum wage is too low is to compare it to the official definition of poverty, according to Bauer. In 2015 it would take at least a minimum wage of about $11.70 to lift a family of four with one parent working full-time out of poverty. This figure is based on the Center’s estimate of how much the federal poverty guidelines are likely to increase next year.

Yet another way of assessing the minimum wage is to consider the level of income needed to provide families a basic level of economic security. “The official definition of poverty really measures serious economic privation, not basic needs,” Bauer said. A better measure of how much income families need for a modest, yet secure standard of living is the Basic Family Budget Calculator created by Economic Policy Institute.

For a two-parent, two-child family living in rural Oregon, it takes a full-time wage of about $27 an hour to makes end meet, according to the basic budget calculator, which does not include money for savings. The figure is higher for families living in the state’s urban areas.

“Oregon’s minimum wage is below what it takes for a family with children to meet their basic needs,” Bauer said. “The time is right for Oregon to substantially lift the wage floor to increase families’ economic security.”

Oregon has nation's lowest total effective business tax rate

Published on August 20, 2014 by Oregon Center for Public Policy

by Chuck Sheketoff

Oregon has the lowest "total effective business tax rate" in the country, according to a study (PDF), conducted by the accounting firm Ernst & Young on behalf of the Council On State Taxation (COST). The accounting firm found that the total state and local taxes paid by Oregon businesses amounted to 3.3 percent of Oregon's private sector economy in fiscal year 2013, the smallest such contribution among all states.

The study purports to include all taxes businesses pay: corporate income and excise taxes; property, sales and use, and license taxes paid by businesses; personal income taxes on business income passed through to the personal income tax (such as those taxes paid by owners of S-corporations, partnerships, sole proprietorships and limited liability companies); unemployment insurance taxes; and other business taxes.

It is important to remember that this is a study conducted to advance the interests of an association of multistate and multinational corporations that lobbies for lower business taxes in states across the country. COST represents about 600 corporations, including major Oregon employers such as Nike, Intel, Hewlett-Packard, US Bank and Xerox (PDF).

The study's authors are not transparent about their methodology. The numbers come from the authors' black box, so there is no way to evaluate the reliability of the numbers, particularly with regard to property taxes and the myriad of tax subsidies that businesses receive, such as property tax abatements.

Moreover, the COST study ignores the incidence of the business taxes it is measuring. For example, many economists would conclude that some, if not all, of the sales taxes paid on business inputs are passed on to consumers and and that at least some of the incidence of unemployment compensation taxes is on workers in the form of lower wages.

To its credit, the COST study concedes that comparing total taxes to a broad measure of the economy such as private sector gross state product is "not a clear indicator of the competitiveness of a state's business tax system in terms of attracting new investment."

Previously, using a different metric for comparing states, COST pegged Oregon as having the second lowest taxes on new investments by business.

Oregon's lowest-taxes-in-the-nation rank takes into account the modest personal and corporate income tax increases put into effect by Measures 66 and 67 approved by voters in 2010. Add the fact that Oregon's economy has performed exceedingly well, and you realize that Oregon need not give corporations or their owners and executives more tax subsidies.

Isn't it time to ask profitable corporations to contribute meaningfully to support the public structures that make Oregon a great place to live, raise a family, work and build businesses?

The Income Inequality Oath: First, Do No Harm

by Chuck Sheketoff

Often I am asked, “What can we do to address income inequality?”

There are a number of good ideas for confronting income inequality, which now stands at historic highs.

In my view the first thing to do is to “do no harm.” Don’t enact policies that will exacerbate the problem. This is particularly true in the area of tax policy, where decades of tax cuts and subsidies favoring the well-off have contributed significantly to rising income inequality.

In every Oregon legislative session, lawmakers from both sides of the aisle bring forth proposals to cut taxes for the wealthy outright or provide some new tax subsidy for the rich.

For example, a seemingly perennial effort – fortunately rebuffed thus far – is to give favored tax status to capital gains income. Capital gains income is income derived from the profitable sale of stocks, bonds, real estate and other such capital assets.

A cut in the income tax on capital gains would not just be a tax cut for the rich; it would be a tax cut for the *very* rich. Indeed, the wealthiest 1 out of every 1000 Oregonians (the one-tenth of the wealthiest 1 percent) reap about half of all capital gains income.

So what can *you* do to help confront income inequality in Oregon?

With candidates holding fundraising and campaign recruitment meetings as the fall election season approaches, it's a good time to engage them. Ask candidates whether they will pledge not to exacerbate inequality. Ask them to take the income inequality oath to do no harm. Ask them to promise not to cut taxes on the already well-off, be it by cutting the income tax on capital gains or any other means.

Bring this capital gains infographic (JPG; a PDF version is here) to meetings with candidates and pass it on to your friends and neighbors via email and social media. Ask them to join you in calling on candidates to take the income inequality oath to do no harm.

Oregon basic family budget calculator

Published by Oregon Center for Public Policy

How much income do families across Oregon need to get by?

The federal poverty guidelines, unfortunately, provide an unsatisfactory answer. It's widely recognized that the official definition of poverty, developed in the early 1960s, is outdated and flawed. Under that definition, families are poor when their income is less than three times the cost of a modest basket of food. In effect, the poverty guidelines measure serious economic privation, not basic needs.

To provide a more realistic view of what it takes for a family to make ends meet, the Economic Policy Institute has updated the Basic Family Budget Calculator. It measures the income a family needs to secure a safe and decent – yet modest – living standard in the community in which the family resides.

The Family Budget Calculator shows expenses for **housing, food, child care, transportation,**
health care, other necessities and taxes for families in the year 2013. The calculator does *not* include savings for retirement, for a rainy day or for college.

Unlike the official poverty threshold, which is the same nationwide, the Family Budget Calculator provides estimates of costs by state, city, metropolitan or rural area. For Oregon, the calculator provides figures for the metropolitan areas of **Bend, Corvallis, Eugene-Springfield, Medford-Ashland, Portland and Salem, as well as for rural Oregon**.

Profitable Corporations Pay No Oregon Income Taxes

Published by Oregon Center for Public Policy

State corporate income tax avoidance spans the nation

Some highly profitable corporations are finding ways to avoid paying any state income taxes, Oregon and national data show.

At least 24 corporations that made a profit in Oregon in 2011, including eight with profits of over $5 million, paid no Oregon income taxes for that year, according to the Oregon Center for Public Policy's review of the most recent Oregon Department of Revenue data.

Download a copy of this news release: Profitable Corporations Pay No Oregon Income Taxes (PDF)

Related materials: 90 Reasons We Need State Corporate Tax Reform: State Corporate Tax Avoidance in the Fortune 500, 2008 to 2012, Institute on Taxation and Economic Policy and Citizens for Tax Justice, March 2014
Major Corporations, Including Intel, Pay No State Income Taxes, Oregon Center for Public Policy, December 2011
Corporate Tax Dodging in the Fifty States, 2008-2010, Institute on Taxation and Economic Policy and Citizens for Tax Justice, December 7, 2011
.

In total, 38 profitable corporations paid less than Oregon's corporate minimum tax for tax year 2011, said Jason Gettel, policy analyst with the Silverton-based think tank. The corporate minimum tax increased from $10 to a sliding scale ranging from $150 to $100,000 when voters approved Measure 67 in 2010.

Meanwhile, a national report released today found that, when adding up the income taxes paid to all states, 90 profitable Fortune 500 companies paid no state income taxes in at least one recent year.

“Thousands of middle class Oregon families are paying more in income taxes than some corporations pay after raking in millions in profits,” said Gettel. “Corporate tax avoidance makes it harder for our state to reduce overcrowding in our schools and invest in the other public structures that create a strong business climate.”

The ability of corporations to pay less than the corporate minimum tax — even zero — stems from an Oregon Supreme Court decision last year. Oregon’s highest court ruled that the trucking giant Con-way, Inc., could use a tax credit it had purchased to wipe out its minimum tax liability for tax year 2009, clearing the way for other profitable corporations to do the same.

“The decision left us with the Con-way loophole, whereby profitable corporations get away with paying nothing in corporate income taxes, not even our meager minimum tax,” said Gettel.

“When they raised the corporate minimum tax from $10 a year, Oregon voters wanted every corporation, and especially the profitable ones, to pay something to support the common good,” Gettel said. “Lawmakers should uphold the will of the voters and close the loophole Con-way created.”

While the Con-way decision revealed that the company paid no Oregon corporate income tax for tax year 2009, the identities of the two dozen or more profitable corporations that paid nothing for tax year 2011 are unknown.

“One of the shortcomings of Oregon law is that it keeps Oregonians in the dark as to how much, if any, a particular corporation has paid in state income taxes,” said Gettel. “If we had disclosure we’d be better positioned to close the Con-way loophole.”

Federal securities law, however, does require corporations to disclose the total amount that they paid in state income taxes.

Using that nationwide data, the Institute on Taxation and Economic Policy (ITEP) and Citizens for Tax Justice (CTJ) calculated the sum of all state income taxes paid by each of 269 Fortune 500 companies that were profitable every year between 2008 and 2012.

The ITEP/CTJ report, 90 Reasons We Need State Corporate Tax Reform, reveals that 10 corporations paid no state income taxes over the entire five-year period taken as a whole, despite collecting over $70 billion in combined profits, Gettel said.

Data on file with the U.S. Securities and Exchange Commission did not allow the researchers to determine the amounts paid in taxes to particular states.

Nevertheless, the report reveals that in some recent years a number of corporations with large operations in Oregon had a state tax bill of zero, or less, when adding up income taxes paid to all states.

Facebook, which opened a large data center in Prineville in 2011, paid no net state income taxes for tax years 2011 or 2012, according to ITEP and CTJ. The social media company reported nearly $2.9 billion in profits over that two-year period.

In tax years 2008 and 2009, Intel “made more money by filing its tax returns,” Gettel said. Oregon’s largest private employer had a combined state income tax of negative $40 million despite profits totaling $9.4 billion in those two years.

“Oregonians have a right to know which large profitable corporations are using accounting gimmicks, special laws and loopholes to avoid paying income taxes on their profits,” said Gettel. “The time has come for Oregon to enact a corporate disclosure law.”

The Oregon Center for Public Policy is a non-partisan research institute that does in-depth research and analysis on budget, tax and economic issues. The Center’s goal is to improve decision making and generate more opportunities for all Oregonians.