

# Measure 97: Who Pays and Who Doesn't?

## What does it mean to make large and out-of-state corporations pay?

Measure 97 is a ballot measure designed to increase resources for Oregon's underfunded schools, healthcare and senior services by making the largest corporations doing business in the state pay their fair share.

Among the different types of business structures available in the U.S., almost all larger corporations with more than 100 shareholders and virtually all publicly traded companies are C corporations. While there's nothing stopping smaller businesses from being C corporations, most small businesses are set up with a different kind of structure.

**Measure 97 will raise the corporate minimum tax for C corporations with more than \$25 million in Oregon sales.** Of the nearly 30,000 C corporations operating throughout the state, only 3% of them (1,000) have more than \$25 million in Oregon sales. These corporations will pay a new minimum tax only on their sales above \$25 million. The new minimum tax will be \$30,001 plus 2.5% of their sales over \$25 million.

**Only the largest corporations doing business in Oregon will pay the new minimum tax.**

Bank of America  ExxonMobil

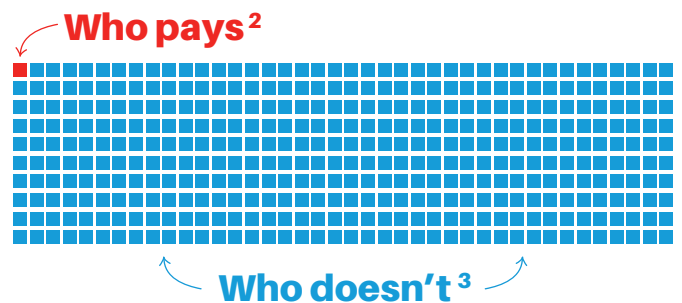
usbank  Walmart 

 Comcast 

 Pfizer 

## Here's who won't have to pay:

The vast majority of the 400,000 active businesses in Oregon will be unaffected by Measure 97. Only about 0.25% of the businesses in the state will see their taxes go up. <sup>1</sup>



## That means you don't pay if your business is a...

- Sole proprietorship
- Partnership
- LLC
- S Corporation
- LLP
- Co-op
- Non-profit
- C Corporation with less than \$25 million in Oregon sales (97% of all Oregon C corporations)

# 82%

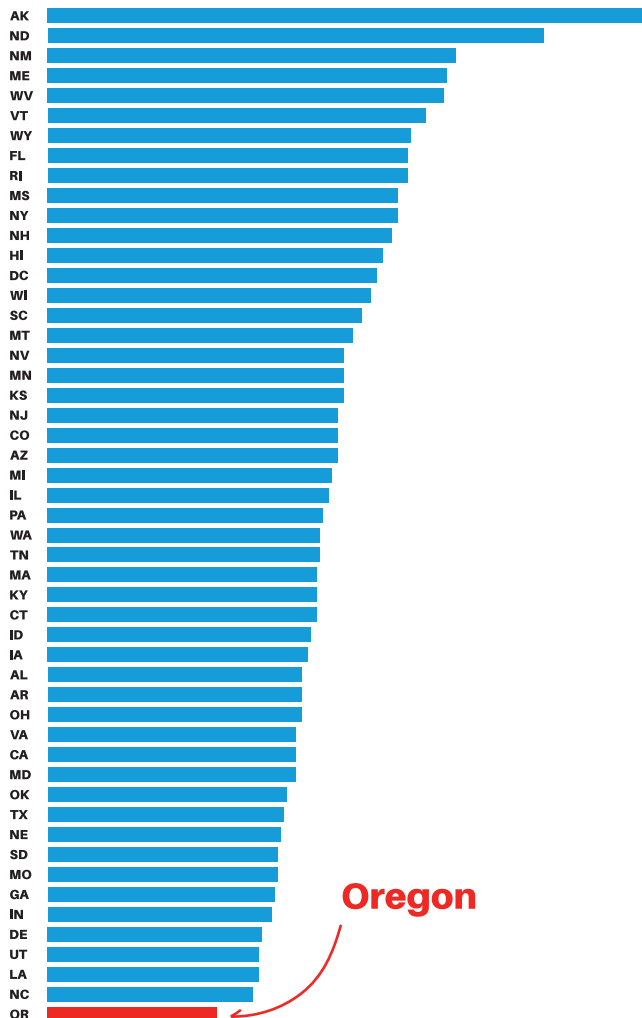
of the money raised by Measure 97 will come from companies headquartered outside the state.<sup>4</sup>

For affected corporations, Oregon sales make up less than 1% of their global sales.

## Why does Oregon need Measure 97?

Oregon has the lowest corporate taxes in the country.<sup>5</sup> To move from 50th in corporate taxes to 49th, the state would need to raise an additional \$1.5 billion a year in corporate tax revenue.<sup>6</sup>

### State Business Tax Burden Rankings<sup>7</sup>



Oregon

## What will Measure 97 mean for Oregon?

Oregon's schools are underfunded, our health care is unaffordable, and more seniors are retiring into poverty — all because Oregon ranks last in corporate taxes in the country. Oregon taxpayers do their part, but large and out-of-state corporations don't do theirs.

By raising the corporate minimum tax for C corporations with more than \$25 million in Oregon sales, we will finally be able to address Oregon's underfunded schools, health care systems, and senior services.

### What we could fund:



Education



Senior Services



Healthcare

### Sources:

1. Secretary of State
2. Legislative Revenue Office
3. Oregon Secretary of State
4. Oregon Office of Economic Analysis
5. Anderson Economic Group, 2015 State Business Tax Burden Rankings
6. Calculations based on data from Anderson Economic Group, 2015
7. Anderson Economic Group, 2012 State Business Tax Burden Rankings