
# Getting The Best Bang For Your Buck

## Transparency and Accountability Tools for Oregon Tax Subsidies

February 2010

OSPIRG Foundation

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**By Jon Bartholomew, OSPIRG Policy Advocate**

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The author bears responsibility for any factual errors. The recommendations are those of the OSPIRG Foundation. The views expressed in this report are those of the author and do not necessarily reflect the views of our funders or those who provided review.

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# Executive Summary

Transparency is essential for the public to understand government activities and priorities. For the public to hold government officials accountable, we need to have access to clear, comprehensive information about government expenditures, whether it's through direct spending or via tax subsidies.

The ability to follow government expenditures and understand what they are supposed to accomplish is the first step in determining if the decisions of our government officials best serve public goals.

OSPIRG decided to investigate what information is readily available to the public about corporate tax subsidies, how much they cost the state treasury, whether they have clear goals, and whether they achieve those aims. OSPIRG staff looked at the most recent Tax Expenditure Report (TER) available on the State of Oregon website and learned the following:

### $626 Million and Growing Corporate Tax Subsidies

Corporations are projected to receive a benefit of at least $626 million in the 2009–2011 biennium in tax subsidies. This is a 5.6 percent increase from the 2007–2009 biennium and a 27.5 percent increase since the 2005-2007 biennium.

This is a conservative number that includes most income-tax subsidies and a limited number of property-tax subsidies. The level of detail in the Tax Expenditure Report does not accurately measure the amount of benefit corporations received from most property-tax subsidy programs. For this report, we only included tax subsidy programs that the TER clearly earmarked for corporations. If property-tax subsidies were better disclosed, the overall amount of tax dollars to corporations could be higher.

### Corporate Tax Subsidies Lack a Meaningful Level of Performance Review

"Sunsets" are dates at which government programs, including tax subsidies, are set to end and will be reviewed. Despite recent changes to the law, only 52.5 percent of the corporate tax subsidies studied in this report have a sunset date or are otherwise subject to systematic review. This represents only $293 million (47 percent) of the total forgone revenue. The programs without sunsets are exclusively income-tax subsidies, since all five property-tax subsidies studied in this report have sunset dates.

➤ Federal tax subsidies account for the majority of unscrutinized programs – only 11 of the 57 federal tax subsidies (19.3 percent) have sunsets.

➤ In 2009, the Oregon legislature took a step in the right direction by creating sunsets for 16 income-tax subsidies for which corporations are eligible. These new sunsets established by the passage of HB 2067 will require review of $15.7 million in corporate tax subsidies. These changes are accounted for in this report.

## Transparency Levels are Inadequate for Proper Analysis

Current levels of transparency are inadequate for lawmakers and taxpayers to determine whether or not corporate tax subsidies are fulfilling their purpose. Tax Expenditure Reports are the public's primary tools for "google government," i.e. online transparency, of tax subsidies. On a positive note, the Tax Expenditure Reports provide sufficient detail to help the public understand the goals and fiscal impact of each tax subsidy program. Information on the purpose, the lost revenue, and sunset dates is available.

However, the TER contains few tools for the public to evaluate the effectiveness of a tax subsidy toward meeting its goals – and whether or not the economic benefit outweighs the cost of the program. Specific data on who receives the benefit of a tax subsidy and if it is accomplishing a policy goal are for the most part, not available.

Furthermore, the way the TER presents data, in a PDF format, makes it very difficult for the public and the media to analyze data in detail. Transparency is more useful if the available data is provided in a more user-friendly and flexible format.

## Recommendations

For the public and lawmakers to better ascertain whether or not corporate tax subsidies are providing the most bang for their buck, OSPIRG makes the following recommendations:

**All data on tax subsidies should be available in a sortable, searchable format such as a spreadsheet that can be downloaded from the Internet as raw data.** The technology exists today to allow for robust databases to be presented on a website in simple-to-understand ways. The new transparency website should allow the public to be able to search for the name of a corporation, and pull up a list of all the tax subsidies, contracts, etc., that it receives from the state. Then that list needs to be able to be sorted further, have links to other information such as campaign contributions, and be downloadable as a search-result database.

**Data should include information about which companies received tax subsidies at what cost of forgone revenues to the state.** Full disclosure of this information is critical for the public to determine the true effectiveness of a subsidy program and to hold recipients accountable to their program goals.

**All tax expenditures for private companies should be subject to sunsets so that they will be reviewed for effectiveness.** At the time of a sunset review, an independent body should determine if a full performance audit should take place to review a tax subsidy. Audits should be done by an agency or professional contracted company that does not have a vested interest in the subsidy.

**Instead of automatically allowing changes to the federal tax code to impact state revenues, Oregon should establish a system to review them proactively**. This review process would allow the state to decide whether or not to be connected to federal tax code changes before they have an impact on the state budget.

**Any new tax subsidies need to have clear goals for their intended impacts in terms of specific economic development gains and/or social benefits.** There should be a clearly stated, rational methodology for measuring whether the subsidy is meeting those goals as well as an explanation of why the goals should be reached through a tax subsidy instead of a direct spending program. New tax subsidies should prove they will not reward companies for doing what they otherwise would do without the subsidy. They should describe the expected value of lost revenues that will directly result from the program and a methodology for measuring those revenue costs. When a program is reviewed, it should compare actual benefits and costs to the goals and expectations set out when the program was approved.

**Economic Development tax subsidies should include "Taxpayer Money-Back Guarantees" to recapture subsidies to companies that do not deliver on specific promises made as part of receiving those subsidies.** Special tax subsidies and other grants should include annual tracking and reporting by individual corporations of expected results, such as number of additional jobs generated (salary levels, health care) and future investments in plant and equipment. This data should promptly be made public by posting on a government transparency website.

Oregon can do all this; furthermore, the public will benefit in many ways. It will provide greater amounts of information for legislators so they can analyze every direct expenditure and tax expenditure. The public will gain a greater understanding as to how the Oregon legislature prioritizes resources. There will be cost savings as fewer Freedom of Information requests need to be processed by state workers. As the public has more capacity to "google their government," it will lead to wiser decisions in our democracy.

To download a spreadsheet of Oregon's corporate tax subsidies, visit http://www.ospirg.org/voting-democracy/budget-transparency/taxsubsidies.

# Introduction

Transparency is essential for the public to understand government activities and priorities. For the public to hold government officials accountable, we need to have access to clear, comprehensive information about government expenditures, whether it's through direct spending or via tax subsidies.

Given Oregon's reputation as an innovator of ways to increase public participation in government, one might expect the state to be a leader in using the Internet for online budget transparency. And, indeed, pockets of "Google government," or online transparency, are sprinkled throughout Oregon Government. The Oregon Procurement Information Network (ORPIN) is a searchable online database hosted by the Department of Administrative Services that allows potential contractors to search for both current contracts and requests for bids. ORESTAR, Oregon's searchable campaign finance database, went online in 2007 and is housed within the Secretary of State's site. The Secretary of State's Audit Division hosts a searchable database of all financial audits of state agencies and local governments that goes back as far as 1997. And the subject of this report - the Department of Revenue's annual Tax Expenditure Report (TER) - details how much tax revenue is lost by different tax-incentive programs each year.

In the 2009 legislature, a new law was passed to improve transparency even further. HB 2500 requires the state to create a website that will be a one-stop shop for citizens to find out how the state is spending tax dollars, and it creates a "Transparency Oregon Advisory Commission" that will advise the state on how to make this website more useful to the public. This new website[1] was launched at the end of December, 2009. The website is a step in the right direction. It provides detail on direct spending by the state by department, data is provided in a downloadable spreadsheet format, and all the information is available through one central website. However, the website will need several key improvements in order to put Oregon at the front of the transparency pack.

Key among the improvements needed is greater transparency of targeted tax subsidy programs. Oregon has already taken steps in the right direction with the aforementioned Tax Expenditure Report (TER).[2] However, as this report shows, the TER has some important limitations that prevent it from truly being useful as an accountability and policy making tool for lawmakers and the public.

Targeted tax subsidies are an expenditure of public dollars through the tax code instead of through direct spending. They are technically called "tax expenditures", although we use the term "tax subsidy" in this report. Like direct spending, tax subsidies reduce the resources available for other state programs. Tax subsidies can be used for a wide variety of reasons, such as encouraging individuals to purchase homes (the mortgage interest deduction) or to encourage businesses to locate in a particular area (enterprise zones).

Tax subsidies can have some advantages over direct spending when they successfully encourage beneficial behavior by taxpayers or markets. For example, tax subsidies to corporations can help create jobs, promote clean energy, or encourage low-income housing development.

However, tax subsidies can also have the potential to be less transparent and accountable to the public than direct spending. For example, every two years, the Oregon Legislature must review and reaffirm funding levels for direct-spending programs. In contrast, tax subsidies can go on indefinitely without review unless there is either a sunset date on them or a concerted effort by the public or politicians to examine a specific tax subsidy.[3] For example, a tax subsidy was created in 1913 to encourage mining is still costing Oregon about $200,000 a year in lost revenues.[4] Has it efficiently accomplished certain public goals? Or is it just a past trophy of political wrangling that has remained unexamined on the books since its introduction? Without this kind of scrutiny, it's likely it will remain unexamined for effectiveness.

There has been a great deal of attention paid recently to one tax subsidy program – the Business Energy Tax Credit. We hope this report helps expand lawmakers' attention to improving transparency and accountability to all tax subsidy programs, especially given the considerable level of resources and public trust at stake.

# Report Findings

## $626 Million and Growing Corporate Tax Subsidies

Income-tax subsidies and five property-tax subsidies provide corporations with about $626 million in the 2009-2011 biennium. This is an increase of 5.6 percent over the previous biennium and a 27.5 percent increase since the 2005-2007 biennium.

**Income-Tax Subsidies**

Corporations are estimated to receive benefit of about $469 million in the 2009–2011 biennium through 113 income-tax subsidies. This is a 5 percent increase from the 2007–2009 biennium, which was itself a 30 percent increase from the 2005–2007 biennium. Corporate income-tax subsidies have increased by an estimated 36.6 percent from the 2005–2007 biennium to the 2009–2011 biennium.[5]

Over half of all corporate income-tax subsidies are due to our connection with the federal tax code. The current Tax Expenditure Report identifies about $243,300,000 in lost revenue for the state in the 2009–2011 biennium due to 57 federal income-tax subsidies that benefit corporations.[6]

Whenever the federal government creates a new tax subsidy, it automatically reduces Oregon income-tax revenue unless the legislature intentionally "decouples" the state tax code from the federal.[7] Oregon income tax is based on federal taxable income, therefore if Washington D.C. creates a new tax subsidy, tax revenues in Oregon automatically decrease. This automatic connection to the federal tax code is termed the "rolling reconnect." The Oregon legislature has occasionally stopped the rolling reconnect temporarily.[8]

**Property-Tax Subsidies**

The fiscal impact of property-tax subsidies to corporations is difficult to determine. There are 61 property-tax subsidies that appear to benefit corporations, but the Tax Expenditure Report does not disclose how much goes to corporations as opposed to individuals, government, and non-profit organizations.

However, we were able to identify five property-tax subsidy programs costing $158 million in which corporations are the sole beneficiary.[9] To be conservative, we include only these five property tax programs in this report. The total corporate benefit from property-tax subsidies could be greater.

Other difficulties are present in determining the impact of property-tax subsidies. Many of the property-tax subsidies exist due to the diffi-

### New Practice

State tax subsidies are largely a modern phenomenon. Of the 56 income-tax subsidies created by the Oregon Legislature that corporations benefit from, 48 have been created since 1980; 36 of those since 1990.

culty in calculating the true value of the property, such as intangible property, standing timber, and farmland. Additionally, for many exemptions, there exist "in lieu of" payments or fees. A simple example is that any citizen (or corporation) that owns a car does not need to pay property tax on that vehicle, but they do have to pay a registration fee to operate it. Therefore, it is more difficult to determine the financial impact of many property-tax subsidies.

**Chart 1. Growth of Oregon Corporate Tax Subsidies[10]**

## Table 1. Property-tax Subsidies for Economic Development

| Program Name | Projected Lost Revenue 2007-09 | Projected Lost Revenue 2009-11 |
|---|---|---|
| Strategic Investment Program (SIP) | $97,900,000 | $103,900,000 |
| Enterprise Zone Businesses[11] | $35,700,000 | $36,900,000 |
| Long-Term Rural Enterprise Zone (Property Tax) | $11,800,000 | $13,800,000 |
| Food Processing Equipment | $2,100,000 | $2,700,000 |
| Rural Renewable Energy Development Zone | $0 | $600,000 |
| Total | $147,500,000 | $157,900,000 |

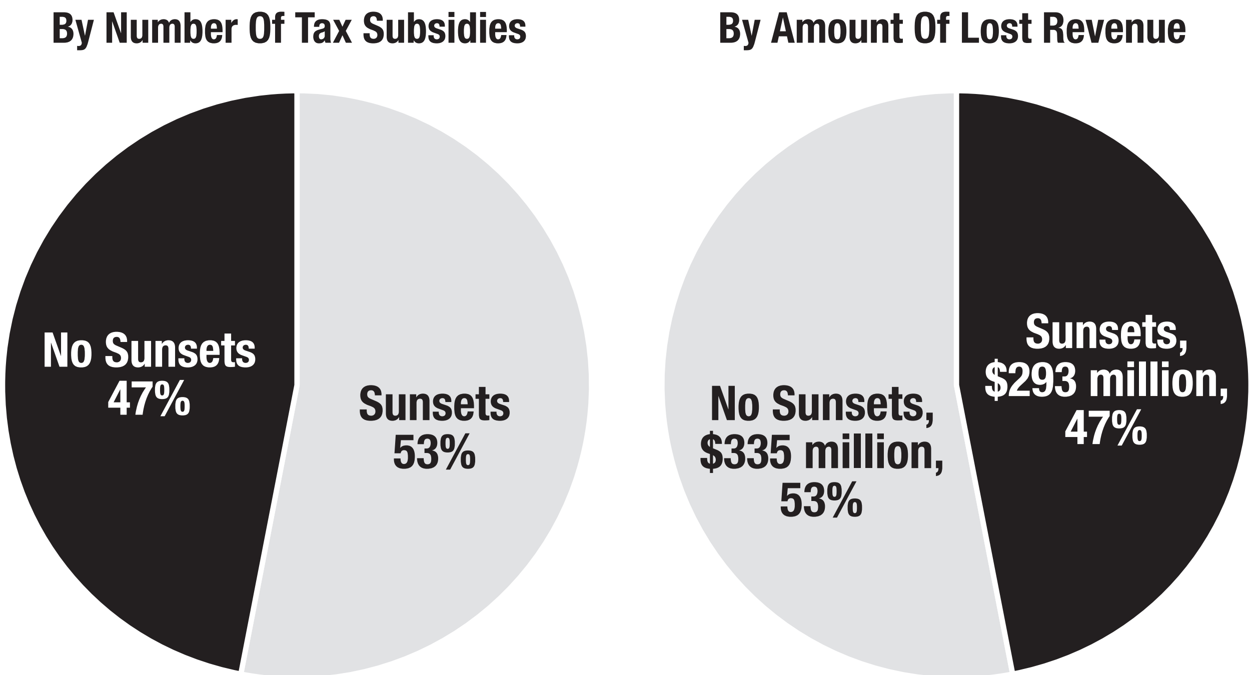
## Table 2. Corporate Income-tax Subsidies in Oregon by Analyzing Agency[12]

| State Agency | # of Corporate Income Tax Subsidy Programs | Total Amount of Lost Revenue |
|---|---|---|
| Agriculture | 4 | Each at less than $50,000 |
| Consumer and Business Services | 5 | $12,500,000 |
| Energy | 6 | $72,700,000 |
| Fish and Wildlife | 1 | Less than $50,000 |
| Forestry | 1 | Less than $50,000 |
| Human Services | 1 | Less than $50,000 |
| Environmental Quality | 4 | $4,200,000 |
| Economic and Community Development | 10 | $19,200,000 |
| Employment | 3 | $1,500,000 |
| Housing and Community Services | 7 | $23,300,000 |
| Oregon Film and Video Office | 2 | $900,000 |
| University of Oregon | 2 | Less than $50,000 |
| Public Utility Commission | 1 | $900,000 |
| Revenue | 1 (Single Sales Factor) | $89,900,000 |

## Corporate Tax Subsidies Lack a Meaningful Level of Performance Review

Despite recent changes to the law, only 62 of the 118 of the corporate tax subsidies (52.5 percent) studied in this report have a sunset date. This represents only $293 million (47 percent) of the total forgone revenue. The programs without sunsets are exclusively income-tax subsidies, since all five property-tax subsidies studied in this report have sunset dates.[13]

### Chart 2. Oregon Corporate Tax Subsidies with Sunset Dates[14]




The majority of tax subsidies with no sunset are federal – only 11 of the 57 federal tax subsides (19.3 percent) have a sunset date. A suspension of Oregon's rolling reconnect to the federal tax code provides an opportunity to determine whether or not Oregon should be connected to federal tax changes. Oregon has sporadically decoupled from some federal tax subsidies, so there is a track record of doing this. However, there is no set process for doing either a suspension or any kind of analysis of the impact of federal tax-code changes. The other means by which a federal tax subsidy could be reviewed is through a sunset. While the latest Tax Expenditure Report lists 57 federal income-tax subsidies that benefit corporations, only 11 of those have sunsets. These are federal sunsets that do not require the state to do any analysis or pass judgment on their effectiveness.

In 2009, the Oregon legislature passed HB 2067, which created sunsets for 16 state income-tax subsidies for which corporations are eligible.[15] These new sunsets will require review of tax subsidies that account for about $15.7 million in lost revenue. These changes are accounted for in this report. This legislation altered many existing sunset dates, but did not create sunsets for either federal income-tax subsidies or any property-tax subsidies.

## Transparency Levels are Inadequate for Proper Analysis

Current levels of transparency are inadequate for lawmakers and taxpayers to determine whether or not corporate tax subsidies are fulfilling their purpose. To its credit, the Tax Expenditure Report (TER) does provide sufficient detail to help the public understand the goals and fiscal impact of each tax subsidy program. Information on the purpose, the lost revenue, and sunset dates is available.

However, the TER contains few tools for the public to evaluate the effectiveness of tax subsidies toward meeting their goals – and whether or not the economic benefits outweigh the cost of the program. This makes it difficult for the public or a legislator to conduct any deeper analysis.

OSPIRG found several difficulties in analyzing Oregon's corporate tax subsidies.

**Not Enough Detail on Who Benefits**

The TER does not currently list the recipients of corporate tax subsidies nor the amount of tax dollars received. This information is important in order to ensure that a particular tax program is going to the types of businesses the program is intended for. In addition, this level of transparency, when cross referenced with campaign finance data, can create a powerful check on potential corruption.

**Insufficient or No Analysis of the Effectiveness of Tax Programs**

The Tax Expenditure Report provides limited analysis of state-created tax subsidies, and no analysis of federal tax subsidies. State tax subsidies typically include an outline of the original policy goal and a short qualitative statement whether or not the program is succeeding. However, with the exception of a small number of economic development programs[16], the TER does not include the methodology for evaluating the program, nor any quantitative measurements to back them up.

Greater quantitative detail down to the level of the individual recipient is needed in order for the public and lawmakers to analyze the effectiveness of each corporate tax subsidy. For example, if one company received $10 million in tax subsidies and in turn promised to create 500 permanent, well-paying, full-time jobs in a non-polluting industry, we need to know if this did, in fact, happen. If ten companies are taking the same amount of tax credit, but one of them creates enough jobs to make it look like the program is working and the remaining nine companies laid off workers, this might call into question the merits of the tax subsidy.

This level of detail would allow the public and lawmakers to ensure that tax subsidies are flowing to the intended companies. For example, the public could determine if a tax subsidy intended for small businesses with 50 employees or less is indeed flowing to those companies. This is known as distributional analysis.[17]

**Need More User-friendly Data**

The Tax Expenditure Report is currently available only as an Adobe Acrobat (PDF) document, which limits the usefulness to the public. Users can read the data, but can't sort it, make calculations, or perform other forms of data analysis. The raw data of all the tax subsidies should be available on the website in a downloadable spreadsheet format that people can use to analyze the data themselves.

To demonstrate one simple way how the TER could become more user-friendly, OSPIRG recreated the data about corporate tax subsidies from the TER on a spreadsheet available online on our website at http://www.ospirg.org/voting-democracy/budget-transparency/taxsubsidies. On our site, anyone can download the data to their own computer to perform their own analysis. In addition, we added columns for information not currently included on the Tax Expenditure Report that we recommend be included.

Oregon's federal stimulus spending website sets a strong precedent and template for state tax programs.[18] This site provides raw data, names of recipients, the amount received and number of jobs created by projects funded by the American Recovery and Reinvestment Act. A similar site could be created to show the impact of corporate tax subsidies in Oregon.

## Best Practices From Other States

Several other states already provide much greater levels of transparency with corporate tax subsidies than Oregon does. For example, Oklahoma's Open Books website provides the names and amounts of each tax-subsidy recipient,[19] and Illinois's site allows citizens to review each corporation's progress toward meeting the goals of economic-development tax credits.[20] Texas not only produces distributional analysis, or "tax incidence analysis," for all tax subsidies in their TER, it requires this prior to consideration of any tax bill in the legislature.[21]

A prime example of the benefit of greater tax-subsidy transparency can be found in Minnesota, where the state mandates the disclosure of the name of each subsidy recipient, the type and amount of subsidies and the number of jobs created, as well as the hourly wage of each job created and the cost of health insurance provided by the employer. Thus, while states around the country often justify subsidies by citing the jobs they promise to create, Minnesota can evaluate how many jobs they actually do create, as well as the quality of those jobs. Minnesota similarly tracks information that helps determine whether subsidies are increasing the number of jobs in-state or merely encouraging corporations to relocate within the state to qualify for higher subsidies. Minnesota mandates disclosure of the location of the recipient prior to receiving the business subsidy; the number of employees who ceased to be employed by the recipient when the recipient relocated to become eligible for the business subsidy; why the recipient may not have completed a project as outlined in a prior subsidy agreement at their previous location; and if the recipient was previously located at another site in Minnesota.[22] Likewise, Minnesota mandates disclosure of the name and address of the recipient's parent corporation, if any, and a list of all financial assistance from all grantors of the project. This information makes it clear which companies are already receiving other public subsidies through their affiliates or through other agencies.

# Conclusion and Recommendations

The Oregon legislature passed a law in 2009 to create a new website, www.oregon.gov/transparency, that provides transparency of the state budget. This law, HB 2500,[23] is a vital step forward in providing the information the public needs about how their state tax dollars are spent.

As the website is developed, it is absolutely critical that greater transparency of tax expenditures is provided. As this report has shown, there are many aspects of the information we currently have available that are insufficient or unclear. Those aspects need to be addressed and remedied, and then included on the new transparency website.

For the public and lawmakers to better ascertain whether or not corporate tax subsidies are providing the most bang for their buck, OSPIRG makes the following recommendations:

**All data on tax subsidies should be available in a sortable, searchable format such as a spreadsheet that can be downloaded from the Internet as raw data.** The technology exists today to allow for robust databases to be presented on a website in simple-to-understand ways. The new transparency website should allow the public to be able to search for the name of a corporation, and pull up a list of all the tax subsidies, contracts, etc., that it receives from the state. That list needs to be able to be sorted further, have links to other information such as campaign contributions, and be downloadable as a search result database.

**Data should include information about which companies received tax subsidies and at what cost of lost revenues to the state.** Full disclosure of this information is critical for determining the true effectiveness of a subsidy program and would hold recipients accountable for their performance toward program goals.

**All tax expenditures for private companies should be subject to sunsets to ensure that they will be reviewed for effectiveness.** At the time of a sunset review, an independent body should determine if a full performance audit should take place to review a tax subsidy. Audits should be done by an agency or professional contracted company that does not have a vested interest in the subsidy.

**Instead of automatically allowing changes to the federal tax code to impact state revenues, Oregon should establish a system to review them proactively**. This would allow the state to decide whether or not to be connected to federal tax-code changes before they have an impact on the state budget.

**Any new tax subsidies need to have clear goals for their intended impacts in terms of specific economic development gains and/or social benefits.** There should be a clearly stated, rational methodology for measuring whether the subsidy is meeting those goals, and an explanation of why the goals should be reached through a tax subsidy instead of a direct spending program. New tax subsidies should have to demonstrate that they will not reward companies for doing what they would do without the subsidy. They should describe the expected value of forgone revenues that will directly result from the program and a methodology for measuring those revenue costs. When a program is reviewed, it should compare actual benefits and costs to the goals and expectations set out when the program was approved.

**Economic Development tax subsidies should include "Taxpayer Money-Back Guarantees" to recapture subsidies to companies that do not deliver on specific promises made as part of receiving those subsidies.** Special tax subsidies and other grants should include annual tracking and reporting by individual corporations of expected results, such as number of additional jobs generated (including details on salary levels, health care costs, etc.) and future investments in plant and equipment. This data should promptly be made public on a government transparency website.

We believe that implementing these recommendations will benefit the public and the legislative process in many ways. Legislators will be able analyze every direct expenditure and tax expenditure, while the public will have the means to understand how Oregon's legislature prioritizes resources. Good budget transparency checks corruption, bolsters public confidence in government, and promotes fiscal responsibility.

# Methodology

All the data in this report was pulled from the Oregon Tax Expenditure Reports (TERs) published online at http://www.oregon.gov/DOR/STATS/statistics.shtml. When comparing one biennium to another, we used the most accurate revenue impacts listed in the TERs. Each TER provides an estimated fiscal impact of a tax subsidy both for the current biennium and the upcoming biennium. Often, the estimated fiscal impact of the current biennium is different from what was estimated in the previous TER. The most accurate number for the impact of a tax subsidy is the revised estimate in the most recent TER. For example, the 2007–2009 TER estimated a total of $386 million in corporate income-tax subsidies for that biennium, but the 2009–2011 TER revised the 2007–2009 numbers to be about $446 million. In this instance, we used the revised, more accurate numbers.

Information on sunset dates of tax expenditures was provided by the Legislative Fiscal Office upon request, as HB 2067 passed which changed or created sunset dates for many tax subsidies after the Tax Expenditure Report was published.

More information might have been available through a Freedom of Information Request to a particular agency. However, since the purpose of the report is to examine what kind of information is available to an average member of the public, we decided to only look at information in the TER.

In this report, the use of the terms "corporation" and "corporate" are based on the usage by the State of Oregon in the Tax Expenditure Report.

# Endnotes

1 www.oregon.gov/transparency

2 http://www.oregon.gov/DOR/STATS/exp09-11-toc.shtml

3 For a more in-depth analysis of the procedural and political biases for using tax subsidies instead of direct spending, read “Judging Tax Expenditures” by Citizens for Tax Justice. http://www.ctj.org/pdf/judgingtep1109.pdf

4 Tax credit number 1.231, Depletion Costs for Non-Fuel Minerals.

5 The total could be somewhat higher because there are 45 tax subsidies that by themselves amount to less than $50,000 benefit to corporations. Added up, these 45 tax subsidies may be a significant amount or still less than $50,000. The TER is unclear on this.

6 This is a rough estimate. It does not include 19 tax subsidies that state the corporate benefit is “less than $50,000,” but combined could be much more.

7 http://www.leg.state.or.us/comm/lro/rb3_02oregon_incometax_reconnect.pdf

8 In 2009, the legislature early in the year set a connection date of October 31, 2008, for changes to the federal tax code to affect Oregon’s taxes, and this legislation also eliminated the rolling reconnect to the federal tax code (HB 2157 - http://www.leg.state.or.us/09reg/measures/hb2100.dir/hb2157.en.html). However, later in the legislative session, it passed another law that moved the connection date to May 1, 2009, disconnected several new federal tax changes from Oregon, and reestablished the rolling reconnect as of January 1, 2011. (HB 2078 - http://www.leg.state.or.us/09reg/measures/hb2000.dir/hb2078.en.html) In 2010, the legislature again took action to move the reconnect date, this time to December 31st, 2009. (SB 1016-A - http://www.leg.state.or.us/10ss1/measures/sb1000.dir/sb1016.a.html)

9 Although technically a separate tax expenditure, the costs of the Electronic Commerce Enterprise Zone program are included in the total for the Enterprise Zone program, so we count it as one.

10 Property-tax subsidies included in this chart are *only* the 5 economic development programs in Table 1.

11 Includes Electronic Commerce Enterprise Zone (#2.012)

12 There were 4 other state income-tax programs that did not list an analyzing agency, probably because the program had already sunsetted and no more analysis was necessary. Each of these programs listed a fiscal impact of less than $50,000. The totals do not include any federal tax subsidies.

13 Of 61 property-tax subsidies from which corporations can benefit, there are only 16, or 26 percent, that have sunset dates.

14 Based on 2009 data including new sunsets from HB 2067; only includes the five property-tax subsidies we are using in this report

15 These 16 new sunsets are included in the analysis of how many tax subsidies have sunsets.

16 Some examples include: The Film Production Development Contributions credit, the Electronic Commerce Enterprise Zone subsidy, and the Enterprise Zone subsidy.

17 “Promoting State Budget Accountability Through Tax Expenditure Reporting,” Center for Budget and Policy Priorities, April, 2009, http://www.cbpp.org/cms/index.cfm?fa=view&id=2772 p.29.

18 http://www.oregon.gov/recovery/

19 http://www.ok.gov/okaa/

20 http://www.ilcorpacct.com/corpacct/ProgressReport.aspx

21 http://www.window.state.tx.us/taxinfo/incidence/

22 Minn. Stat. 116J.994. Reports available at http://www.deed.state.mn.us/Community/subsidies/index.htm

23 http://www.leg.state.or.us/09reg/measures/hb2500.dir/hb2500.en.html