Exhibit A

Oregon income tax collections



Legislative Revenue Office, 2015 Oregon Public Finance: Basic Facts

Exhibit B Top 30 companies for offshoring profits (\$ in billions)

| Apple | \$111.3 | Coca-Cola | \$30.6 |
|-------------------|---------|-----------------------|--------|
| General Electric | 110.0 | J.P. Morgan Chase | 28.5 |
| Microsoft | 76.4 | Oracle | 26.2 |
| Pfizer | 69.0 | Amgen | 25.5 |
| Merck | 57.1 | United Technologies | 25.0 |
| IBM | 52.3 | Abbott Laboratories | 24.0 |
| Johnson & Johnson | 50.9 | Bristol-Myers Squibb | 24.0 |
| Cisco Systems | 48.0 | Eli Lilly | 23.7 |
| Exxon Mobil | 47.0 | Goldman Sachs Group | 22.5 |
| Citigroup | 43.8 | Qualcomm | 21.6 |
| Procter & Gamble | 42.0 | Wal-Mart Stores | 21.4 |
| Google | 38.9 | Medtronic | 20.5 |
| Hewlett-Packard | 38.2 | Intel | 20.0 |
| PepsiCo | 34.1 | Dell | 19.0 |
| Chevron | 31.3 | Bank of America Corp. | 17.0 |

Data source: U.S. PIRG and Citizens for Tax Justice, 2014



Exhibit D

Numerous companies take advantage of loopholes in international laws to move profits around the world, avoiding taxes. Many of these techniques rely on transferring profits on patent royalties to places like Ireland. Here is one technique typical of what Apple and others pioneered.

START HERE

U.S. consumer

If the profits from the sale of a product stay in the United States, they would be subject to a federal tax of 35 percent. But if money is paid to an Irish subsidiary as royalties on patents the company owns, it can ultimately be taxed at far lower rates.



PRODUCT



At one time, a company would actually manufacture products in Ireland. But today, it's more likely to use factories in China, Brazil or India that ship directly to consumers

Caribbean or other tax haven

The profits can land in an overseas tax haven where they are stored, invisible to authorities, for years.





http://www.nytimes.com/interactive/2012/04/28/business/Double-Irish-With-A-Dutch-Sandwich.html? r=0

Exhibit E, articles about the Netherlands' role in tax haven abuse

- <u>http://www.bloomberg.com/news/articles/2013-01-23/yahoo-dell-swell-netherlands-13-trillion-tax-haven</u>
- <u>http://www.bloomberg.com/news/articles/2014-02-03/ibm-uses-dutch-tax-haven-to-boost-profits-as-sales-slide</u>
- <u>http://www.cnbc.com/id/101104483</u>
- <u>http://www.bloomberg.com/bw/magazine/content/10_44/b4</u>
 <u>201043146825.htm</u>
- <u>http://arstechnica.com/business/2013/01/no-more-dutch-</u> <u>sandwich-the-netherlands-reviews-its-role-in-tax-evasion/</u>

Exhibit F

What share of income is taxed in Oregon?



Data source: Oregon Department of Revenue, apportioned C corporation tax returns, tax year 2012

Exhibit F

| Effective foreign tax rate | | |
|---|----|--|
| Bermuda* | 0% | |
| Luxembourg* | 1% | |
| Sweden | 1% | |
| Netherlands ⁺ | 2% | |
| Ireland | 2% | |
| United Kingdom Caribbean Islands* (Anguila, British Virgin Islands, Cayman Islands, Montserrat) | | |
| Singapore | 4% | |
| Switzerland | 4% | |
| Barbados* | 5% | |

* Currently on Oregon's tax haven list

+ Netherlands
Antilles is on
Oregon's tax
haven list, but
not the
Netherlands

6

Ό

U.S. Direct Investment Abroad: Operations of U.S. Parent Companies and Their Foreign Affiliates. Bureau of Economic Analysis, 2012. Calculated foreign tax as a percent of pre-tax foreign income.