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To: Chair and Members of the Senate Finance and Revenue Committee
From: Scott Bruun, OBI
RE: OBI Testimony in Support of SB 164 -10/-11

Chair Burdick and Members of the Revenue Committee:

Good afternoon. My name is Scott Bruun, and I am the Director of Tax and Fiscal Policy for Oregon Business and Industry. OBI is a member-led business trade association. We have approximately 1,600 members that employ more than 300,000 Oregonians.

Thank you for the opportunity to testify today in support of SB 164.

We are very supportive of the -10 and -11 amendments which would allow corporations to file CAT returns in accordance and alignment with those corporations' specific fiscal year-end date (whether a calendar year-end, or any other non-calendar year-end). This will reduce filing complexity, compliance uncertainty and costs for many Oregon businesses.

OBI is also supportive of the -10 and -11 amendment, which provide clarifying language to prevent punitive "retaliatory" taxes from being levied against Oregon-based insurers by other states. During adoption of the CAT in 2019, legislative leadership and Oregon-headquartered insurers agreed that the triggering of retaliatory taxes in other states was not an intended outcome of the CAT. While OBI and Oregon's headquartered insurers supported creation of the Student Success Fund, owing to the abrupt manner in which the 2019 session ended there was not time to confirm that the final language presented for adoption would prevent this unintended consequence. The Oregon Department of Revenue has confirmed that clarifying language is needed, and we understand that the Department and Oregon-based carriers collaborated on this clarifying language.

Thank you, Madame Chair.

Contact: Scott Bruun, OBI, scottbruun@oregonbusinessindustry.com