



Oregon Taxes

EXHIBIT A-7					
SUMMARY OF OREGON TAX COLLECTIONS					
STATE TAXES	FY 2014	FY 2023	FY 2024	y/y % change	% change since FY14
PERSONAL INCOME TAX	\$6,649,032,232	\$13,173,131,849	\$9,172,438,238	-30.4%	38.0%
CORPORATE INCOME TAX	\$494,759,369	\$1,606,646,089	\$1,642,327,542	2.2%	231.9%
CORPORATE ACTIVITY TAX	NA	\$1,338,528,887	\$1,343,986,994	0.4%	
MEDICAL PROVIDER TAXES	\$434,726,034	\$1,181,190,862	\$1,262,668,992	6.9%	190.5%
UNEMPLOYMENT INSURANCE TAXES	\$1,048,171,404	\$1,197,515,608	\$1,188,545,438	-0.7%	13.4%
PAID LEAVE OREGON TAX	NA	\$237,200,063	\$841,485,428	254.8%	
GASOLINE AND USE FUEL TAXES	\$492,657,207	\$669,523,637	\$679,905,995	1.6%	38.0%
WEIGHT MILE TAX	\$285,325,523	\$459,444,318	\$455,017,524	-1.0%	59.5%
ESTATE TAX	\$85,491,021	\$297,572,322	\$338,975,886	13.9%	296.5%
CIGARETTE TAX	\$201,202,476	\$328,216,544	\$296,048,561	-9.8%	47.1%
MARIJUANA TAX	NA	\$142,088,093	\$150,898,047	6.2%	
STATEWIDE TRANIST PAYROLL TAX	NA	\$132,688,225	\$135,511,145	2.1%	
WORKERS' COMP INSURANCE TAXES	\$52,759,088	\$95,608,731	\$99,422,036	4.0%	88.4%
INSURANCE TAXES	\$52,460,007	\$138,446,770	\$96,899,171	-30.0%	84.7%
OTHER TOBACCO PRODUCTS TAX	\$56,370,715	\$90,050,238	\$82,953,367	-7.9%	47.2%
EMERGENCY SERVICES (911) TAX	\$39,251,361	\$79,416,977	\$80,575,226	1.5%	105.3%
OTHER LABOR TAXES	\$87,336,237	\$70,512,566	\$67,861,600	-3.8%	-22.3%
COURT FEES, FINES & ASSESSMENTS		\$48,416,445	\$49,050,387	1.3%	
REAL ESTATE RECORDING	\$33,003,807	\$48,221,569	\$43,058,393	-10.7%	30.5%
STATE LODGING TAX	\$13,924,746	\$41,638,062	\$41,528,704	-0.3%	198.2%
VEHICLE DEALER PRIVILEGE TAX	NA	\$34,001,430	\$34,000,638	0.0%	
BEER & WINE TAXES	\$17,462,776	\$17,286,957	\$20,661,505	19.5%	18.3%
FOREST PRODUCTS HARVEST TAXES	\$14,922,588	\$18,779,663	\$19,361,416	3.1%	29.7%
ELECTRIC COOP TAX	\$7,242,866	\$12,613,105	\$14,734,177	16.8%	103.4%
SENIOR DEFERRED PROPERTY TAX	\$19,460,756	\$17,082,890	\$14,262,605	-16.5%	-26.7%
VEHICLE USE TAX	NA	\$9,449,096	\$11,336,445	20.0%	
HEAVY EQUIPMENT RENTAL TAX	NA	\$7,663,111	\$8,020,098	4.7%	
AVIATION GAS AND JET FUEL TAXES	\$1,965,638	\$6,125,537	\$6,304,627	2.9%	220.7%
COORDINATED CRISIS (988) TAX	NA	NA	\$6,196,179		
HAZARDOUS SUBSTANCE TAXES	\$2,860,572	\$3,199,770	\$3,278,864	2.5%	14.6%
PHONE ACCESS SURCHARGE (RSPF)	\$5,991,833	\$2,240,175	\$3,118,031	39.2%	-48.0%
PETROLEUM LOADING FEE	\$1,539,088	\$3,011,805	\$3,030,398	0.6%	96.9%
AMUSEMENT DEVICE TAX	\$2,706,626	\$4,209,350	\$2,725,184	-35.3%	0.7%
BICYCLE EXCISE TAX	NA	\$1,155,581	\$740,986	-35.9%	
TIMBER SEVERANCE TAXES	\$607,996	\$707,107	\$576,778	-18.4%	-5.1%
PRIVATE RAIL CAR TAX	\$260,236	\$247,753	\$229,261	-7.5%	-11.9%
BOXING TAX	\$48,570	\$131,467	\$110,095	-16.3%	126.7%
OIL & GAS SEVERANCE TAX	\$102,233	\$0	\$4,348		-95.7%
OTHER DOR COLLECTIONS		\$53,610,235	\$73,452,753	37.0%	
LOCAL TAXES	FY 2014	FY 2023	FY 2024	y/y % change	% change since FY14
PROPERTY TAXES ¹	\$5,373,189,108	\$8,496,447,377	\$8,894,428,058	4.7%	65.5%
TRANSIT PAYROLL & EMPLOYMENT TAXES	\$298,207,898	\$529,448,832	\$550,645,374	4.0%	84.7%
FRANCHISE TAXES ²	\$257,878,000	\$383,085,836	\$390,923,808	2.0%	51.6%
METRO SUPPORTIVE HOUSING SERVICES INCOME TAX	NA	\$336,608,626	\$332,188,261	-1.3%	
CLEAN ENERGY SURCHARGE	NA	\$182,907,454	\$199,044,455	8.8%	
PORTLAND BUSINESS LICENSE TAX	\$81,020,110	\$206,079,752	\$185,875,825	-9.8%	129.4%
MULTNOMAH COUNTY INCOME TAX	NA	\$198,898,800	\$180,105,646	-9.4%	
MULTNOMAH COUNTY BUSINESS TAX	\$61,800,000	\$161,505,390	\$149,496,531	-7.4%	141.9%
MOTOR VEHICLE RENTAL TAX	\$27,435,000	\$41,019,000	\$43,646,000	6.4%	59.1%
MOTOR FUEL TAXES	\$15,528,628	\$33,932,232	\$32,041,916	-5.6%	106.3%
LOCAL MARIJUANA TAX ³	NA	\$22,382,364	\$23,619,953	5.5%	
PORTLAND ARTS TAX	NA	\$11,890,771	\$12,274,899	3.2%	
WASHINGTON COUNTY TRANSFER TAX	\$3,858,507	\$6,827,410	\$6,150,566	-9.9%	59.4%
OTHER TAXES ²	\$372,803,256	\$545,026,463	\$565,028,036	3.7%	51.6%

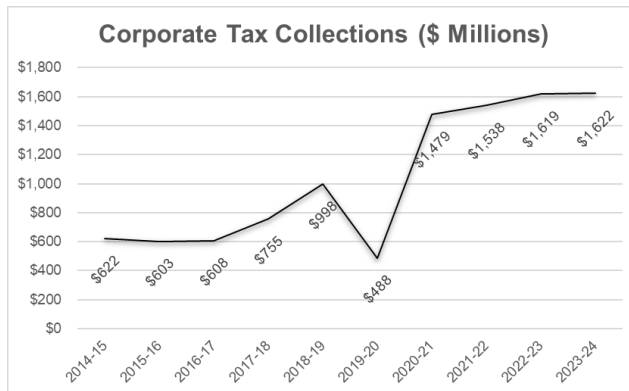
¹ Includes urban renewal taxes² Estimates where actuals are not available³ Local taxes collected by the Department of Revenue

Oregon Taxes on Businesses

Corporation Income and Excise Tax

C-corporations pay an income tax using a two-bracket rate structure that has been in place since 2009. It is the second largest source of General Fund revenue. These roughly 35,000 C-Corporations are required to pay the larger of their tax due under the rate schedule or the tax due under the minimum tax schedule. Annual collections have grown from roughly \$600M to \$1,600M over the past ten years.

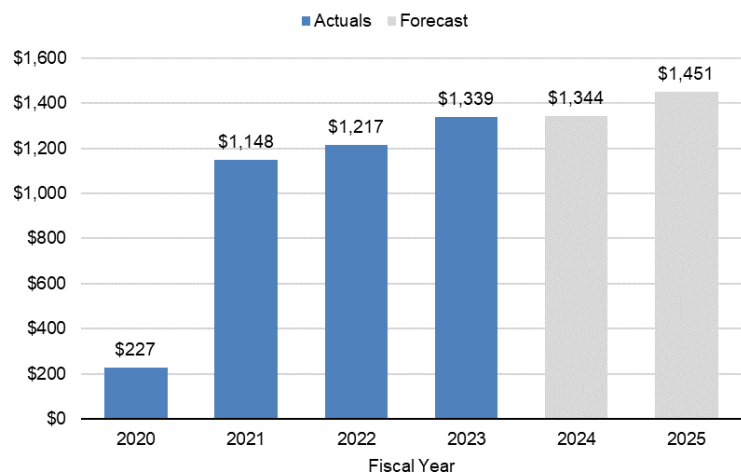
C-Corporation Tax Brackets	
Taxable Income	Tax Before Credits
Not over \$1M	6.6% of taxable income
Over \$1M	\$66,000 + 7.6% of income over \$1M



C-Corporate Minimum Tax	
Oregon Sales (\$)	Minimum Tax (\$)
< \$500,000	\$150
\$500,000 to \$1 Million	\$500
\$1 Million to \$2 Million	\$1,000
\$2 Million to \$3 Million	\$1,500
\$3 Million to \$5 Million	\$2,000
\$5 Million to \$7 Million	\$4,000
\$7 Million to \$10 Million	\$7,500
\$10 Million to \$25 Million	\$15,000
\$25 Million to \$50 Million	\$30,000
\$50 Million to \$75 Million	\$50,000
\$75 Million to \$100 Million	\$75,000
\$100 Million or more	\$100,000

Corporate Activity Tax

The CAT is based on commercial activity in Oregon. For purposes of the tax, commercial activity is “...the total amount realized by a person, arising from transactions and activity in the regular course of the person’s trade or business...” Businesses with taxable commercial activity of \$1 million or more are required to pay the tax of \$250 plus 0.57% on taxable commercial activity above \$1 million.



$$\text{Tax Liability} = \$250 + (0.57\% \times \text{Taxable Commercial Activity over } \$1 \text{ million})$$

About 27,000 businesses pay the tax. Revenue from the CAT are mostly deposited into the Fund for Student Success. Current and projected distributions are shown in the table below.

Biennium	State School Fund	Student Investment Account	Statewide Education Initiative Account	Early Learning Account	Total
2023-25	\$777.2	\$1,087.2	\$548.5	\$500.4	\$2,913.3
2025-27	\$822.7	\$1,252.7	\$751.6	\$501.1	\$3,328.1
2027-29	\$903.6	\$1,302.3	\$781.4	\$520.9	\$3,508.2

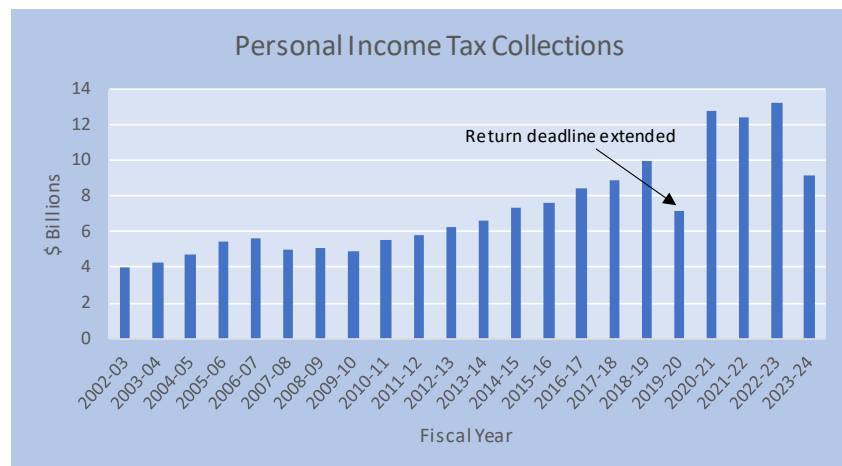
Personal Income Tax

Business other than C-corporations are subject to the state's personal income tax. It is the largest source of General Fund revenue and, historically, business income has accounted for about 10 percent of total tax collections annually. For S-Corporations (77,000), Partnerships (76,000), and Sole Proprietors (307,000), the business entity is not subject to an Oregon income tax. Instead, the owners, members, or shareholders must pay the Personal Income Tax on their portion of the business' income. All income subject to this tax is combined and is taxed according to the appropriate schedule shown below -- depending on if they file a single return or joint return.

SINGLE RETURNS		JOINT RETURNS	
Taxable Income	Tax Before Credits	Taxable Income	Tax Before Credits
Not over \$4,300	4.75% of taxable income	Not over \$8,600	4.75% of taxable income
\$4,300 to \$10,750	\$204 + 6.75% of income over \$4,300	\$8,600 to \$21,500	\$409 + 6.75% of income over \$8,600
\$10,750 to \$125,000	\$640 + 8.75% of income over \$10,750	\$21,500 to \$250,000	\$1,279 + 8.75% of income over \$21,500
Over \$125,000	\$10,637 + 9.9% of income over \$125,000	Over \$250,000	\$21,273 + 9.9% of income over \$250,000

Some business may be eligible to instead use the table below to calculate their income tax liability.

Non-Passive Income Tax Rates	
Taxable Income (\$)	Tax Rate
≤ \$500,000	7.0%
\$500,001 to \$1 Million	7.5%
\$1 Million to \$2.5 Million	8.0%
\$2.5 Million to \$5 Million	9.0%
Over \$5 Million	9.9%



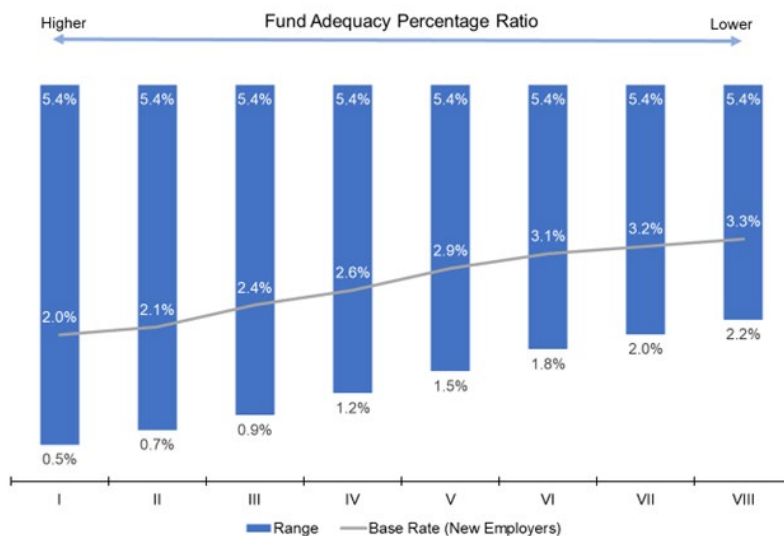
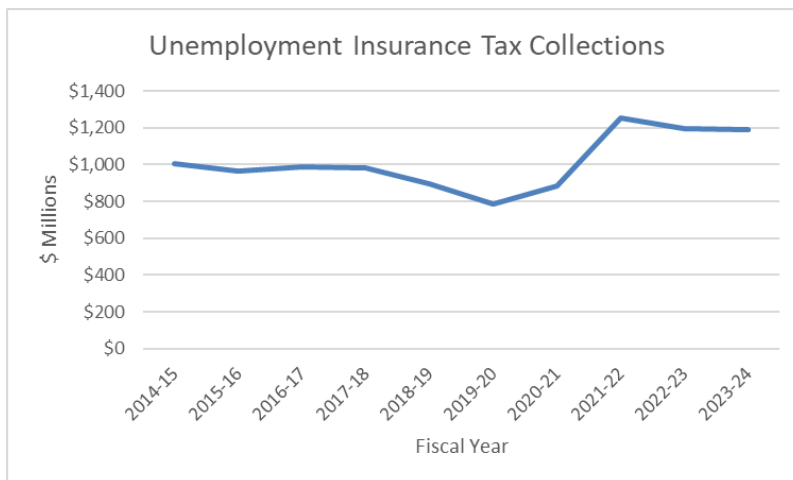
Unemployment Insurance Tax

The Oregon State Unemployment Insurance payroll tax is established statutorily. Private sector employers who pay wages of \$1,000 or more in any calendar quarter, or who have one or more employees in each of eighteen weeks in a calendar year, are subject to the UI payroll tax on taxable wages. For 2025, the taxable wages are the first \$54,300 of wages paid to each

employee. There are several exclusions (for instance certain smaller agricultural employers), but most Oregon employers are subject to the UI payroll tax. Taxes are paid into the Unemployment Compensation Trust Fund (UCTF).

Oregon has eight UI payroll tax schedules. Schedule I has the largest rate range, from 0.5% to 5.4%. Schedule VIII has the smallest range from 2.2% to 5.4%. The tax schedule used each year is dictated by the projected solvency of the UCTF with respect to projected benefits expected during a high-cost period, known as the **fund adequacy percentage ratio**. This ratio is calculated by comparing the balance of the UCTF as of August 31st with the benefit

payments expected during a high-cost payment period, which is defined by the highest cost benefits period, during 12 consecutive months, in the previous 20 complete calendar years. Benefits paid during the high-cost period are adjusted for wage and employment growth. Once the fund adequacy ratio is calculated, it is compared to the statutorily defined fund adequacy ratio range for each tax schedule to determine which tax schedule will be in effect for the coming year. This process is completed September of each year. Tax Schedule III is in effect for 2025.



Property Tax

The Property Tax is the primary funding mechanism for most local governments. Taxable property is most real property, some business tangible personal property and, for certain companies assessed by the Oregon Department of Revenue (DOR), intangible property. Assessment and taxation are conducted at the county level, except for large industrial properties and “centrally assessed” properties which cross county lines, where DOR plays a major role.

Until the 1990s, Oregon had a levy-based property tax system. Voters passed Measure 5 (M5) in November 1990 which capped school taxes at 0.5% of Real Market Value and general government taxes at 1% of Real Market Value. In November 1996 voters passed M47 but it was deemed unworkable so the 1997 Legislature crafted M50 to accomplish the intent of M47; voters passed M50 in May 1997. With its passage, Oregon’s property tax system had become a rate-based system with limits on the annual growth of taxable value.



In Fiscal Year 2023-24, roughly 1,200 taxing districts imposed \$6,718 million in operating taxes (permanent rates), \$807 million in local option taxes, \$1,382 million in bond taxes, and \$238 million in urban renewal taxes.