

BILL BRADBURY  
SECRETARY OF STATE



ELECTIONS DIVISION  
JOHN LINDBACK  
DIRECTOR  
141 STATE CAPITOL  
SALEM, OREGON 97310-0722  
ELECTIONS—(503) 986-1518

November 14, 2005

To All Interested Parties:

Secretary of State Bill Bradbury is responsible for the pre-election review of proposed initiative petitions for compliance with the procedural constitutional requirements established in the Oregon Constitution for initiative petitions. This review will be completed before approving the form of the cover and signature sheets for the purpose of circulating the proposed initiative petition to gather signatures.

The Secretary of State is seeking public input on whether proposed initiative petition (#102), satisfies the procedural constitutional requirements for circulation as a proposed initiative petition. Petition #102 was filed in our office on November 10, 2005, by Larry Wolf, Gail Rasmussen and Chris Coughlin, for the General Election of November 7, 2006.

Enclosed is a copy of the text of this proposed initiative petition. If you are interested in providing comments on whether the proposed initiative petition meets the procedural constitutional requirements, please write to the secretary at the Elections Division in the State Capitol. Your comments, if any, must be received by the Elections Division no later than December 6, 2005, in order for them to be considered in the review.

BILL BRADBURY  
Secretary of State

BY:

Carla Corbin  
Compliance Specialist

BE IT ENACTED BY THE PEOPLE OF OREGON

**Section 1. STATEMENT OF NEED.** The People of Oregon find:

- (1) Corporations doing business in Oregon pay a lower tax rate on their profits than individuals and small businesses pay on their wages, earnings and other income.
- (2) Oregon lawmakers have given corporations doing business in Oregon a number of tax credits, deductions and other tax breaks that result in those corporations paying as little as \$10 per year in Oregon income taxes and low property taxes.
- (3) Since 1990, corporations have been paying a decreasing share of taxes used to fund essential government services, including education (k-12 through higher education), public safety, senior services and health care.
- (4) Corporations doing business in Oregon do not have to publicly disclose information relating to their total taxable income in Oregon or the amount of taxes they have paid in Oregon.
- (5) Public disclosure of corporations' total taxable income in Oregon and the amount of taxes they have paid in Oregon will improve the ability of Oregon citizens to evaluate the fairness of state income tax policies and to hold lawmakers accountable for laws that reduce corporate taxes and thereby reduce revenue available to fund essential government services.
- (6) Based upon experience at the federal level, where publicly traded corporations must report their total taxable income and actual tax liability, there is no evidence of harm to the corporations of such disclosure.

**Section 2. DISCLOSURE OF CORPORATE TAX PAYMENTS**

- (1) The following corporations that do business in this state and that are required to file an excise or income tax return for purposes of ORS chapter 317 or 318, shall file with the Secretary of State the statement described in subsection (2) of this section:
  - (a) All publicly traded corporations.
  - (b) All financial corporations, as defined in ORS 317.010.
  - (c) All corporations not described in paragraph (a) or (b) of this subsection having on the January 1 preceding a number of full-time employees in Oregon in excess of 250, or for the period referred to in subsection (2)(b) of this section, domestic (United States) sales in excess of \$10,000,000; except that personal service corporations, as defined by Internal Revenue Code Section 269A, shall be exempt from this disclosure requirement.
- (2) The statement shall be on a form prescribed by the Secretary of State and shall contain the following information:
  - (a) The name of the corporation, business activity code, and the name of the registered agent to accept service.
  - (b) The state excise tax or income tax liability under ORS chapter 317 or 318 of the corporation for the tax year ending in the fiscal period beginning July 1 and ending June 30 immediately before the date the statement is required to be filed.
  - (c) The most recent assessed value of real and personal property located in Oregon and the gross assessed tax on that property;
  - (d) The corporation's business presence in Oregon, as reflected in the following apportionment factors:
    - (A) The amount and percentage of sales within and without Oregon that are allocated or apportioned to Oregon;
    - (B) The amount and percentage of payroll expenses within and without Oregon that are allocated or apportioned to Oregon;

- (C) The amount and percentage of real and personal property within and without Oregon that is allocated or apportioned to Oregon;
  - (D) Information and data regarding these apportionment factors must be provided to the Secretary of State regardless of whether the apportionment factor is used to calculate Oregon tax liability.
  - (e) The apportionment factor used to calculate the corporation's taxable income in Oregon.
  - (f) Total taxable income allocated or apportioned to Oregon for the tax year described in paragraph (b) of this subsection.
  - (g) Total United States taxable income, as reported to the IRS for the tax period described in paragraph (b) of this section.
- (3) For the fiscal year ending June 30, 2006, statements must be filed with the Secretary of State on or before March 15, 2007. Thereafter, the statement shall be filed at the same time as the corporations' state tax returns are filed, but no later than March 15 of the following year. If a corporation files an amended return, either on its own initiative or after an audit, the corporation shall file a revised statement under this section not later than 60 calendar days after the amended return is filed.
- (4) The statements required by this section shall be deemed nonexempt public records under ORS 192.420 *et. seq.*
- (5) The Secretary of State shall develop and implement an oversight and penalty system to ensure that corporations doing business in Oregon provide the required information in a timely and accurate manner.

**Section 3. Section captions.** The section captions used in this Act do not become part of the statutory law of this state.

**Section 4. Severability.** If any section of this Act is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, the remaining sections shall remain in full force and effect.