



M = Rank for mature firms  
N = Rank for new firms

Oregon ranks 28th overall for both mature and newly established operations. Specifically:

- Oregon ranks sixth for the mature distribution center firm. This operation has a total effective tax rate (TETR) of 21.6 percent, which is 29 percent below the national average. Since Oregon is one of five states without a state-level sales tax, this firm is tied for the lowest sales tax burden in the country. It also has one of the lowest property tax burdens. However, it has the highest unemployment insurance (UI) costs in the nation.
- By contrast, the state ranks 40th for the mature call center firm. The firm has a TETR of 25 percent, which is 19 percent above the national average. Again, this firm has the nation's highest UI tax costs and an above-average income tax burden because of its sourcing rules for services.
- Oregon ranks 14th for the new retail store with a TETR of 27.5 percent. This is about 16 percent below the national average. The state's lack of a sales tax is a major benefit to this firm. However, in addition to having the nation's highest UI tax costs, this operation has the second-highest income tax costs, due to the state's 7.6 percent corporate tax rate.
- The state ranks 42th for the new labor-intensive manufacturing firm with a TETR of 14 percent, 19 percent above the national average. Again, this firm has the nation's highest UI tax costs in addition to one of the highest income tax burdens due to the state's throwback rule. It also has one of the highest property tax burdens because of the above-average property tax rates on equipment.

## Oregon

### Corporate income tax

Main tax rate	7.600%
Applies to income over	\$10,000,000
Specific adjustments:	
- s.199 deduction disallowed	

Apportionment	Property	Payroll	Sales
Standard factors	–	–	100.0%
Optional alternative	n/a	n/a	n/a
Throwback applies to tangible property sales			Yes
Interstate services income apportionment			IPA

### Sales and property tax

Metro areas examined		Sales tax	Property tax			
			Main rate <sup>a</sup>	Land	Buildings	Equipment
Tier 1	Portland	–	1.154%	1.154%	1.832%	–
Tier 2	Salem	–	1.117%	1.117%	1.661%	–
a. No sales tax exists in Oregon						

### Other taxes

Unemployment insurance		State capital tax		Gross receipts tax			Local income tax
Rate	Max. pay			Mfg.	Services	Retail	
4.30%	\$32,300	n/a	Tier 1	n/a	n/a	n/a	3.650%
			Tier 2	n/a	n/a	n/a	n/a

### Incentives for newly established operations

Type	Incentive value	MC	ML	CC	DC	CO	RD	RT
Investment	n/a							
Job creation	n/a							
Withholdings	n/a							
R&D	5% of in-state R&D expenses, per federal concepts						✓	
Property tax	15-year phase-out exemption for property >\$100M	✓						

MC= Capital-Intensive Manufacturing Operation, ML= Labor-Intensive Manufacturing Operation, CC= Call Center, DC= Distribution Center, CO= Corporate Headquarters, RD= Research and Development (R&D) Facility, RT= Retail Store

### Results

	Newly established operations								Mature operations									
	Tier 2 operations				Tier 1 operations				AVG	Tier 2 operations				Tier 1 operations				AVG
	MC	ML	CC	DC	CO	RD	RT	MC		ML	CC	DC	CO	RD	RT			
TETR	11.3%	14.0%	33.7%	28.7%	19.5%	15.7%	27.5%		14.8%	11.2%	25.0%	21.6%	16.8%	12.3%	16.6%			
Index	98.8	119.3	135.1	79.4	120.6	106.3	84.4	<b>106.3</b>	116.7	96.0	119.2	70.6	107.0	95.8	98.0	<b>100.5</b>		
Rank	33	42	39	18	38	25	14	<b>28</b>	34	27	40	6	37	22	27	<b>28</b>		

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