



ITS TIME WE STOP GIVING TAX BREAKS TO DATA CENTERS

**Oregon: more
generous than
any other state**



OREGON'S FOUR TAX BREAKS

- 1. No sales tax**
- 2. Property tax breaks**
- 3. Infrastructure paid for by the public**
- 4. Income tax breaks**



**Tax breaks helped get data centers here
But should have ended 10 years ago**

- **Oregon is 1 of 5 states with 100% sales tax break – on all goods and services**
- **Amazon has saved \$3B on \$39.3B invested in data centers in eastern Oregon**

PROPERTY TAX BREAKS



- **5-year Standard Enterprise Zone – now 3-years except in Hillsboro, evidently**
- **15-year Long Term Rural Enterprise Zone**
- **15-year Strategic Investment Program – SIP**

PROPERTY TAX BREAKS COST \$450 MILLION THIS YEAR

- **\$150 of the \$450 million is K-12 across the state**
- **\$90 million in Hillsboro**
- **\$360 million in The Dalles, Prineville, Umatilla,
and Morrow Counties**

HOW DO WE COMPARE WITH NEIGHBORS?

California

- **No property tax breaks for data centers**
- **No sales tax breaks for data centers**

Washington

- **No property tax breaks for data centers**
- **Sales tax breaks only on server equipment and power infrastructure in some counties**
- **Ended sales tax break for replacement equipment in 2026**

**Disqualify data centers from Oregon's
property tax breaks**

**We'll still be the
best deal on the
west coast**

INFRASTRUCTURE COSTS



- **Homebuyers pay for the internal infrastructure**
- **Industrial land buyers do not – everyone pays**

NORTH HILLSBORO INDUSTRIAL AREA

- **Urban Renewal District can spend up to \$289M**
- **Repaid by diverting a portion of property taxes, hurting other taxing districts**
- **Why not in the price of the land when they purchase or a cost they must cover while building**

INCOME TAX



Corporate and Private Equity owners

- **10-year income tax break – most rural counties**
- **Corporate taxes – deeply reduced**
- **REITs & Pass Thru Entities – no business level tax**

SOLUTIONS

2025 POWER ACT – No cost shifting

2026 Gov's HB 4084 – Urban 3 yrs and moratorium

2027 End all property tax breaks – still best on west coast

End 10 years of income tax breaks – OIA

Require they pay own infrastructure costs



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Additional Information follows

OREGON INVESTMENT ADVANTAGE

- **10 years no income tax on data center income in some rural counties**
- **Enjoyed by Apple, Amazon, and Facebook**

CORPORATE INCOME TAX

- **Corporate Income tax rate is 7.6%**

Facebook, Google, Amazon... using depreciation, R&D tax breaks, stock options and off shoring income

- **Meta/Facebook likely paid 1.3% rather than OR's 7.6% \$10M vs \$60M in 2025**

- **Amazon likely paid 1/2% in Oregon \$4.5M vs \$68M**

Meta/Facebook \$60 m reduced to \$10 m

Amazon \$68 m reduced to \$4.4 m

Oregon Corporate Income Tax Discounts for fiscal year 2025

Row		META FACEBOOK	AMAZON	Source
A	US Profits (Billions)	\$78,900,000,000	\$89,000,000,000	https://calbudgetcenter.org/resources/5-facts-to-know-a
B	Effective Corp US Tax Rate	3.57%	1.37%	https://itep.org/corporate-tax-avoidance/
C	US Corp Tax Rate	21.00%	21.00%	
D	Effective Tax Rate Discount	0.1700	0.0652	Row B ÷ Row C
E	Oregon Corp Marginal Tax Rate	7.60%	7.60%	
F	Discounted Oregon Tax Rate	1.29%	0.50%	Row D x Row E
G	Estimated Oregon % of US Profits	1%	1%	estimate for calculation
H	Discounted Oregon Income Tax	\$10,193,880	\$4,412,705	Row A x Row F x Row G
I	Original Oregon Corp Income Tax	\$59,964,000	\$67,640,000	Row A x Row E x Row G

PRIVATE EQUITY AND STOCK

- **Personal Income Taxpayers own most urban data centers**
- **9.9% top tax rate**
- **Taxes paid where you live, not Oregon**
- **Bezos, Musk, and friends are likely hiding profits off-shore... we have no way to know**

REITS

- **Used by data centers, nursing homes, apartment buildings. commercial buildings**
- **No business level income tax**
- **Profits to owners who pay taxes where they live**

CORPORATE ACTIVITY TAX – CAT

- **All businesses of size pay roughly 0.42% per dollar gross receipts tax on Oregon sales**
- **What do data centers sell to Oregonian businesses and individuals?**
- **Example: Amazon Defense Department Contract**
Is that sale in Virginia or Oregon?
Will CAT tax be paid?

DESIGN A NEW TAX

- **What is being done in other states/countries?**
- **Northern Europe/Most – Tax on electricity**
- **Washington State – \$75 million/business**
- **Virginia – Tax on back up batteries**

OTHER ISSUES

- **Transparency – taxes, electricity and water use, pollution**
- **End None Disclosure Agreements**
- **Definitions – is more clarity needed for “data centers” and “cryptocurrency”?**

OTHER ISSUES CONT.

- **Franchise fees – Why only in cities, not counties?**
- **Assessment costs – How cover counties costs?**
- **Density issues – Why none?**
- **Physical isolation from homes, businesses, schools?**
- **Buy outs for near neighbors?**

RENEWABLE ENERGY PROPERTY TAX BREAKS

- **Amazon, Google & Microsoft have explicit goals: 100% renewables**
- **Building their own solar arrays**
- **Buying all the energy from wind and solar farms**
- **Property tax breaks for up to 20 years**

- **Why subsidize what our renewable portfolio standards and their own goals require?**



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