



While the Legislature is not in session, OBI staff have been busy on policy, rulemaking and committees governing issues affecting member businesses. Here is a round-up of what OBI has been working on in December.

OBI in Washington, D.C.

In mid-December, OBI government relations representative Nathaniel Brown attended a salon dinner hosted by the U.S. Chamber of Commerce in Washington, D.C., focused on early childhood education. The U.S. Chamber has been heavily involved in the White House Office of Economic Initiatives' work across the country regarding childcare and paid leave and convened the gathering to discuss issues important to employers. Nathaniel also attended a White House summit on childcare and paid leave. OBI expects childcare issues to become more prominent in the education conversation in Oregon and values our partnership with the policy leaders at the U.S. Chamber.



Corporate Activity Tax Update

The Oregon Department of Revenue posted eight draft rules for the [Corporate Activity Tax \(CAT\)](#), earlier this month. As a reminder, the tax is a 0.57% gross receipts tax on annual

receipts above \$1 million. An OBI staff summary of the draft rules is [available here](#). The Department of Revenue still plans to issue temporary rules for the CAT on Jan. 1, 2020, the first day the tax is in effect.

This month the revenue department also opened registration for the CAT. Businesses don't have to register before the new year, but the department started giving businesses the option early. On the [CAT website](#), you can get started by clicking the button reading "Register For CAT."

Those with more than \$750,000 in annual "commercial activity" will have to register. Once the business meets that threshold, it will have 30 days to do so. "Some businesses could reach the threshold early in January, while others might not top that mark until much later in the year," the [department's announcement](#) stated.

OBI's Mike Stober continues to work with legislators and the department of revenue on the evolving nuts and bolts of the new tax, advocating to mitigate the financial and administrative burden the tax will place on our members. If you have more questions you can contact officials by emailing cat.help.dor@oregon.gov. If you have concerns you'd like OBI to advocate for, please contact [Mike](#).

The screenshot shows the Oregon Department of Revenue website's "Corporate Activity Tax (CAT)" page. The navigation bar includes links for Home, Forms, Contact Us, FAQ, Programs, Public Records, Press, About Us, and Revenue Online. The main content area is titled "Corporate Activity Tax (CAT)" and is divided into three columns. The left column is a sidebar menu with categories like "INDIVIDUALS", "BUSINESSES", "PAYMENTS", "CIGARETTE AND TOBACCO PRODUCTS TAX", "CORPORATE ACTIVITY TAX", "CORPORATION FILING INFORMATION AND REQUIREMENTS", "CORPORATION, BUSINESS, AND FIDUCIARY E-FILE", "CORPORATION ESTIMATED TAX", "CORPORATION EXCISE AND INCOME TAX PENALTIES AND INTEREST", "E-FILE SOFTWARE DEVELOPERS", "ELECTRONIC FUNDS TRANSFER", "EMERGENCY COMMUNICATIONS (E911) TAX", "ESTATE AND INHERITANCE TAX", "HEAVY EQUIPMENT RENTAL TAX", "HIGH HAZARD OIL TRAIN", "IWIRE", "MARIJUANA TAX PROGRAM", "OTHER TAXES AND FEES", and "PAYROLL WITHHOLDING AND". The middle column, "About the tax", provides information about the legislation signed on May 16, 2019, and lists key points: establishing a "Fund for Student Success" and adopting a new CAT. It also includes a "Subscribe to the Corporate Activity Tax mailing list" section with a form for contact name, business name, role (Business owner, Tax manager, Lobbyist, Tax attorney, Tax preparer, Other), mailing address, city, and county. The right column, "Contact us", provides contact information for general questions and rule input, and lists "Quick links" to House Bills 3427, 2164, and 1020. Below the quick links is a "Register For CAT" button. At the bottom of the right column, "Draft rules" are listed, including Substantial Nexus Guidelines, Determining Whether a Group of Persons Forms a Unitary Group, Agent Exclusion, Property Brought into Oregon, Estimated Tax When Estimated Payments Are Required, Delinquent or Underestimated Payment or Both, Unitary Groups and Apportioned Returns, and Extension of Time to.

2019 Oregon Leadership Summit

The OBI team and many OBI members attended the 2019 Oregon Leadership Summit on Dec. 16. At this event the Oregon Business Council, and partners including OBI, presented the Oregon Business Plan. On the main stage, OBI first vice-chair Karen Vineyard interviewed Oregon Senate President Peter Courtney, OBI region 2 vice chair Dan Thorndike interviewed Rep. Caddy McKeown, D-Coos Bay, and Rep. Lynn Findley, R-Vale, and OBI president and CEO Sandra McDonough led a panel discussion on how featured companies are leading the way on carbon reduction.

The day featured leaders from businesses around the state speaking on panels and in TED-style talks. Attendees also heard from U.S. Senators Jeff Merkley and Ron Wyden, Gov. Kate Brown, Oregon Speaker of the House Tina Kotek and House Republican Leader Christine Drazan.

About 1,000 people attended the summit, where issues discussed ranged from Oregon's urban-rural divide, to trade, to the Interstate Bridge project, to housing and homelessness.



Rulemaking, Policy Updates and Legislative Days

While the Legislature is not in session, the OBI team is still hard at work on rulemaking, committees and ballot measures. Below is a rundown of what the OBI policy team has been working on.

Taxes

While the Corporate Activity Tax is a major project for OBI, we are watching other tax issues that could impact our members.

IP 51, the ballot initiative called the [Oregon People's Rebate](#) would impose a 2.5% gross receipts tax on a business' annual receipts above \$25 million. Those funds would go to individual income taxpayers as "rebate" checks. OBI submitted [comments](#) on the draft ballot title by the Dec. 19 deadline.

The Portland City Council passed amendments to its Clean Energy Surcharge – a 1% gross receipts tax on businesses with more than \$500,000 in annual sales in the city of Portland and more than \$1 billion in annual sales nationally – to exempt construction, qualified retirement plans, and residential garbage and recycling collection services from the tax.

Education

Looking ahead to important issues in Oregon education, OBI expects early learning and childcare to be an emerging issue. Oregon's [Early Learning Division](#) is set to receive federal funds for a statewide needs assessment next year, and nearly a third of the new [Student Success Act](#) funds are dedicated to early learning. Earlier this month, OBI's Nathaniel Brown attended a White House summit on childcare and paid leave (see above) where policymakers and business leaders discussed the benefits of high quality early childhood education for the economy.

OBI also signed onto a Dec. 12 [letter to the State Board of Education](#) urging them to adopt a proposed definition of third grade reading proficiency under the new Student Investment Account (through the Student Success Act). The definition will guide districts as they set goals for the new investments. The letter encouraged the board to continue supporting a balanced and equitable assessment system throughout K-12 education.

Health Care

As noted in last month's newsletter, OBI continues to monitor the Oregon Health Authority's work on cost containment. [Senate Bill 889](#), which passed in 2019, established a [committee of stakeholders](#) to recommend a systemwide health care cost growth rate cap. The committee is meeting monthly to discuss this concept.

Environment

OBI, in conjunction with several partners, is coordinating a ballot title challenge to IP 56, the [Toxics Reduction and Right to Know Act](#). The proposed ballot measure greatly expands on Cleaner Air Oregon legislation passed in 2018, setting more stringent standards and tougher burdens on Oregon manufacturers. On Dec. 19, the Secretary of State received the ballot title from the Attorney General, which you can view [here](#).

OBI worked closely with challengers to the carbon-reduction and clean energy ballot titles. On Dec. 19, the Secretary of State rejected IP 48, [100% Clean Energy by 2045](#), and IP 49, [100% Clean Energy plus Electrification by 2045](#). IP 50, [100% Carbon-Free Economy by 2050](#), is still making its way through the process. [Click here](#) for the comments on IP 50. You can read OPB's latest update [here](#). We expect proponents of these measures to redraft and refile the initiative petitions, so stay tuned.

OBI's Sharla Moffett is also working on these rulemaking items from the Oregon Department of Environmental Quality (DEQ):

- [Greenhouse Gas Reporting rules](#) – [click here](#) to read just the letter submitted by OBI and partner associations in November
- [Cleaner Air Oregon Hazard Index](#) – OBI is submitting comments this week.
- [Air Contaminant Discharge Permit \(ACDP\) Fees](#) - Sharla is on this rulemaking committee, advocating for more regular, incremental increases for increased predictability as well as early notification to permit holders so they are able to budget for these major fee increases.

Retail

OBI continues to participate in the Attorney General's Consumer Privacy Task Force, which is developing legislation for the 2021 session. The task force is working through issues around businesses responsibilities when it comes to consumers' personal data. The next meeting of the task force will take place on Jan. 23.

OBI continues work on the Oregon Health Authority's [Toxic Free Kids Act](#) Rulemaking Advisory Committee, which met on Dec. 6 and will meet again in January. This regulates items marketed to children by requiring manufacturers to report products containing "chemicals of concern."

OBI submitted comments on the Department of Justice's proposed rule on the health benefits of goods, which would require a business to produce "competent and reliable scientific evidence" before advertising that a product has a health benefit.

OBI continues to challenge the automated checkout stand [initiative petition](#), which aims to limit automated checkout stands in retail stores to just two operating at any time per store. We are currently challenging the ballot title in the Oregon Supreme Court. OBI also submitted [comments](#) in October.

Employment

OBI is involved in rulemaking on two workers' compensation issues. The first involves increasing claimant only attorney fees, the second relating to preexisting conditions. OBI's Paloma Sparks is working on a coalition letter to oppose this overreach on preexisting conditions. On Dec. 17 she testified in front of the Workers' Compensation Board in opposition to the attorney fee issue. [Click here](#) to see the coalition letter submitted to the board.

Though a bill was defeated in 2019, the issue of requiring prevailing wages on enterprise zone projects could come back to the Legislature. [The latest proposal](#) won't require prevailing wages but will require certain notices for construction under the enterprise zone, rural long-term enterprise zone and strategic investment programs. Paloma represents OBI on a prevailing wage workgroup and is monitoring the issue.

The AFL-CIO is working on a bill for the 2020 session proposing significant changes to Oregon's non-compete law. The bill would set a salary threshold of \$97,000 and would be indexed to inflation. Non-compete agreements would be enforceable only for 6 months. The agreements would be voidable under the proposal. Finally, the concept would include voiding the agreements if the employee alleges harassment.



Upcoming Events

OBI Annual Meeting Update

OBI is excited to announce the 2020 Job Champion Awards will go to Rep. Jeff Barker and Rep. Shelly Boshart Davis. The Jobs Champion Award recognizes individuals who foster job growth by supporting Oregon companies and standing up for Oregon businesses at the Capitol. Rep. Barker is retiring at the end of 2020, and OBI wants to thank him for his years of service as a state legislator and as a Portland Police officer. Since her election in 2018, Rep. Boshart Davis has become a rising star advocating for Oregon jobs, notably her work to exempt timber and farm vehicles from new diesel emissions regulations.

Please join us on Thursday, Feb. 13, in Salem to celebrate Rep. Barker and Rep. Boshart Davis.

Make sure to reserve your spot soon! Now through the end of the year OBI is offering a **\$25 discount** on individual tickets.

[Click here for more.](#)



Rep. Jeff Barker



Rep. Shelly Boshart Davis

And don't forget, the keynote speaker is A.B. Stoddard, associate editor and columnist at [RealClearPolitics](#). Stoddard is known for her extensive career in political journalism. She has worked at The Hill and ABC News and regularly appears on the Fox News Channel and Fox Business Network.

The 2020 Annual Meeting is sponsored by:



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Capitol News

[Oregon Secretary of State Bev Clarno Rejects Clean Energy Proposals](#)

[Oregon Lawmakers Share Wishlist for 2020 Short Session](#)

[Vaping Ban, Suspended Licenses, Beer Deliveries – Lawmakers Line Up Short Session Issues](#)

[Oregon Hospitals Give Big to Support Cigarette Tax Measure](#)

[Oregon Legislature Will Have at Least 16 Open Seats in 2020](#)

[Oregon Initiatives to Revamp PERS Withdrawn as Political Picture Changes](#)

[Groups Seek to Take Oregon Redistricting Out of State Legislature's Hands](#)

[Attempted Recall over Astoria Rep's Environmental Vote Fails](#)

Wholesale Fuel Pricing

OBI has partnered with MCP Petroleum to drive down OBI members' fuel cost. OBI is leveraging the collective purchasing power of our membership to get wholesale fuel pricing for our members. In addition to fuel savings, OBI members will have access to a comprehensive fuel management system that will reduce slippage, save valuable employee time and provide accountability and oversight of your company's fuel consumption.

OBI members who use 900 gallons of fuel annually through their company are eligible for this program. Please contact us for more information.



LegalPLUS Program

Did you know, by being an OBI member you can get free legal advice? OBI and Innova Legal Advisors provides members 15 minutes of legal consultation each month through the LegalPlus program. Check it out by [clicking here](#). Or contact Bob Blackmore at Innova Legal Advisors: Phone: 503-479-7175; email: Bob.Blackmore@innovalegaladvisors.com





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