

STATEMENT FOR THE RECORD
BEFORE THE COLORADO HOUSE FINANCE COMMITTEE
ON THE IMPORTANCE OF ELIMINATING OFFSHORE TAX HAVENS
FEBRUARY 24, 2016.
TRACY DUCHARME
OWNER OF COLOR ME MINE IN COLORADO SPRINGS

Dear Chairperson Court, Vice-Chair Foote and Members of the House Finance Committee:

Thank you for the opportunity to share comments on HB16-1275 and the importance of ending corporate tax loopholes to small businesses.

As a small business owner, I work hard to create jobs and give back to my community. I know that part of being a responsible business owner is paying my fair share of taxes, because my small business and customers depend on resources that taxes fund – like schools, roads and law enforcement. While small businesses like mine play by the rules, too many big businesses are able to exploit offshore tax havens to avoid paying their fair share of taxes. That's why I support HB16-1275, which would help eliminate offshore tax havens and level the playing field for small businesses.

As multi-national corporations are able to avoid their tax duties, it hurts local economies by reducing revenue for vital state services like education. All the while, corporations continue to benefit from tax-funded programs and resources. This leaves regular taxpayers and small businesses holding the bill and bearing a disproportionate share of the tax burden. In fact, offshore tax havens cost the average Coloradoan \$1,361 per year. This extra tax burden means less money in consumers' pockets to spend locally at small businesses like mine. It's no surprise Small Business Majority's polling found 9 in 10 small business owners say the practice of U.S. multinational corporations using accounting loopholes to shift their U.S. profits to offshore subsidiaries to avoid taxes is a problem, and they support eliminating these tax breaks and providing incentives to bring production home.

HB16-1275 empowers the Department of Revenue to label certain jurisdictions as tax havens and include the foreign income that a company claims to be generated in tax havens as taxable income. If approved by voters in a ballot initiative in November 2016, Colorado could annually tax corporations' state income that is sheltered in tax havens.

Ultimately, cracking down on offshore tax havens would help bring fairness and transparency to our tax system so that small businesses and big businesses play by the same rules. That's good for Colorado's economy, and that's why I'm hopeful that the state legislature moves forward with HB16-1275.

Thank you again for the opportunity to comment on this issue.

Sincerely,

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