



**COLUMBIA  
RIVER  
ECONOMIC  
DEVELOPMENT  
COUNCIL**

*Expertise. Knowledge. Partnerships.  
The resource for business growth and  
expansion in Southwest Washington.*

# **Oregon-Washington Business Cost Comparisons**

*For additional information, contact:*

Columbia River Economic Development Council  
805 Broadway Ste. 412  
Vancouver, Washington 98660  
Phone: (360) 694-5006  
E-mail: [info@credc.org](mailto:info@credc.org)  
Web Site: [www.credc.org](http://www.credc.org)

*This information was compiled by the Columbia River Economic Development Council from sources deemed reliable. While the CREDC has attempted, in good faith, to ensure the information presented is accurate, there may be inadvertent (technical and factual) inaccuracies with the information presented. All information should be verified independently.*

**February 2010**

## Vancouver-Portland Metro Business Tax Comparison

TAX	Clark County, Washington	Multnomah County, Oregon	Washington County, Oregon	Clackamas County, Oregon
Corporate Excise Tax	None	6.6% of the first \$250,000 of net Oregon income, and 7.9% for net income exceeding \$250,000.	6.6% of the first \$250,000 of net Oregon income, and 7.9% for net income exceeding \$250,000.	6.6% of the first \$250,000 of net Oregon income, and 7.9% for net income exceeding \$250,000.
Personal Income Tax	None	Up to 9% of taxable income.	Up to 9% of taxable income.	Up to 9% of taxable income.
Personal Income Tax (County)	None	1.45% of net Oregon income.	None	None
Other Business Tax	B&O Tax: Manufacturing & Wholesaling 0.484%; Retailing 0.471%; Services 1.5% on gross sales.	Minimum Corp Tax: \$150, or 0.1% on gross revenue (up to \$100,000) for firms with revenues greater than \$500,000.	Minimum Corp Tax: \$150, or 0.1% on gross revenue (up to \$100,000) for firms with revenues greater than \$500,000.	Minimum Corp Tax: \$150, or 0.1% on gross revenue (up to \$100,000) for firms with revenues greater than \$500,000.
Business License Fee (City)	\$125 + \$50 per employee (City of Vancouver)	2.2% of net business income \$100 minimum (City of Portland).	\$50 for 0-4 employees, and \$8.50 per additional employee, annually (City of Beaverton).	\$75 - \$145 depending on employment, annually. (City of Lake Oswego)
Sales Tax (State & Local)	State 6.5%, Clark County 1.7%	None	None	None
Transit District Tax	None	0.6818% flat rate payroll tax	0.6818% flat rate payroll tax	0.6818% flat rate payroll tax
Real & Personal Property Tax	Average rate \$10.48 per \$1,000 of assessed value.	Average Rate. \$18.6 per \$1,000 of assessed value.	Average Rate. \$16.4 per \$1,000 of assessed value.	Average Rate. \$16.2 per \$1,000 of assessed value.
Unemployment Insurance Tax	Average 2.38% on the first \$36,800 in wages.	Average 2.76% on the first \$32,100 in wages, \$886 max.	Average 2.76% on the first \$32,100 in wages, \$886 max.	Average 2.76% on the first \$32,100 in wages, \$886 max.
Industrial Insurance (WA), Workers Compensation (OR)	Industrial Insurance sample rates: Misc. Manufacturing: \$0.6639; Transportation & Warehousing: \$1.608; Misc. Professional Services: \$0.1748 (per hour worked)	Workers' Compensation is broken down into 3 separate taxes. 1) Premiums paid to private insurance companies that range from \$1.8 - \$7.2 per \$100 of wages paid. 2) 4.6% Premium Assessment fee of the annual total premium. 3) Workers Benefit Fund, paid to the state, 2.8 cents per worker hour worked.	Workers' Compensation is broken down into 3 separate taxes. 1) Premiums paid to private insurance companies that range from \$1.8 - \$7.2 per \$100 of wages paid. 2) 4.6% Premium Assessment fee of the annual total premium. 3) Workers Benefit Fund, paid to the state, 2.8 cents per worker hour worked.	Workers' Compensation is broken down into 3 separate taxes. 1) Premiums paid to private insurance companies that range from \$1.8 - \$7.2 per \$100 of wages paid. 2) 4.6% Premium Assessment fee of the annual total premium. 3) Workers Benefit Fund, paid to the state, 2.8 cents per worker hour worked.

# Washington and Oregon Corporate Tax Comparison

Washington State does not have a corporate income tax. Washington uses a Business and Occupation Tax (B&O) which is a flat tax rate based on gross sales. This flat tax rate allows a manufacturer to retain more earnings as profitability grows. Oregon levies both a corporate tax on net income and a minimum tax on gross revenue.

Profit Margin 5%

	Washington B&O Tax	Oregon Corp. Income Tax
Gross Sales	\$3,000,000	\$3,000,000
Gross Income Tax*	0.484%	0.10%
Profit Margin		5%
Net Income		\$150,000
Net Income Tax**		6.60%
<b>Tax Due</b>	<b>\$14,520.00</b>	<b>\$12,900.00</b>

Profit Margin 20%

	Washington B&O Tax	Oregon Corp. Income Tax
Gross Sales	\$3,000,000	\$3,000,000
Gross Income Tax*	0.484%	0.10%
Profit Margin		20%
Net Income		\$600,000
Net Income Tax**		7.90%
<b>Tax Due</b>	<b>\$14,520.00</b>	<b>\$47,150.00</b>

Profit Margin 10%

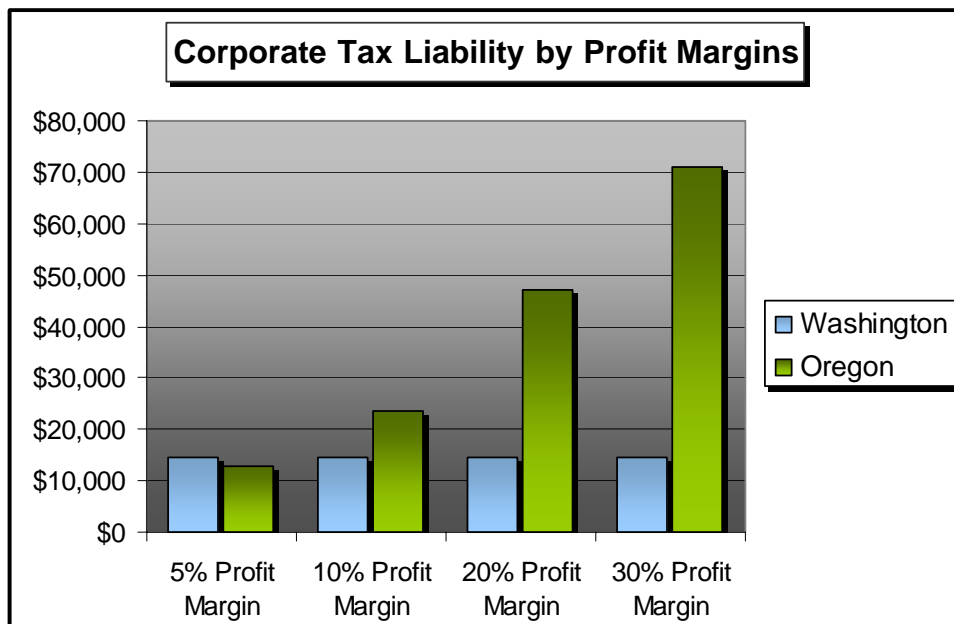
	Washington B&O Tax	Oregon Corp. Income Tax
Gross Sales	\$3,000,000	\$3,000,000
Gross Income Tax*	0.484%	0.10%
Profit Margin		10%
Net Income		\$300,000
Net Income Tax**		7.90%
<b>Tax Due</b>	<b>\$14,520.00</b>	<b>\$23,450.00</b>

Profit Margin 30%

	Washington B&O Tax	Oregon Corp. Income Tax
Gross Sales	\$3,000,000	\$3,000,000
Gross Income Tax*	0.484%	0.10%
Profit Margin		30%
Net Income		\$900,000
Net Income Tax**		7.90%
<b>Tax Due</b>	<b>\$14,520.00</b>	<b>\$70,850.00</b>

Source: Washington State Department of Revenue & Oregon State Department of Revenue

- \* Oregon's corporate minimum tax is 0.1% for C corps (and S corps subject to federal income tax) grossing more than \$500,000 or \$150 for all other nonexempt organizations.
- \*\* Oregon's corporate income tax is 6.6% on the first \$250,000 of net income and 7.9% thereafter.



## Hourly Wages

Clark County boasts a talented workforce, and companies within Clark County benefit from its low labor costs compared to other west coast locations.

Occupation	Average Hourly Wages	
	Clark County	Washington-Multnomah Counties
Helpers--Production Workers	\$11.74	\$12.18
Cutting, Punching, and Press Machine Setters, Ops	\$13.90	\$13.96
Machinists	\$21.30	\$19.71
Printing Machine Operators	\$14.06	\$18.93
Receptionists and Information Clerks	\$12.18	\$13.41
Office Clerks, General	\$13.00	\$14.74
Billing and Posting Clerks and Machine Operators	\$14.32	\$16.54

Source: WA State Employment Security Department, & Oregon Employment Department 12/09

## Lease Rates

Clark County possesses over 1.7 million square feet of professional Class A office space and nearly 5 million square feet of class B office. Additionally, Clark County is home to more than 16.4 million square feet of industrial/flex space. Clark County's average lease rates are among the lowest in the Portland Metropolitan area.

Market	Office Space	Industrial/Flex
Portland Central Business District	\$22.04	\$8.58
Portland I-5 Corridor	\$24.35	\$6.75
Clark County	\$19.72	\$6.65

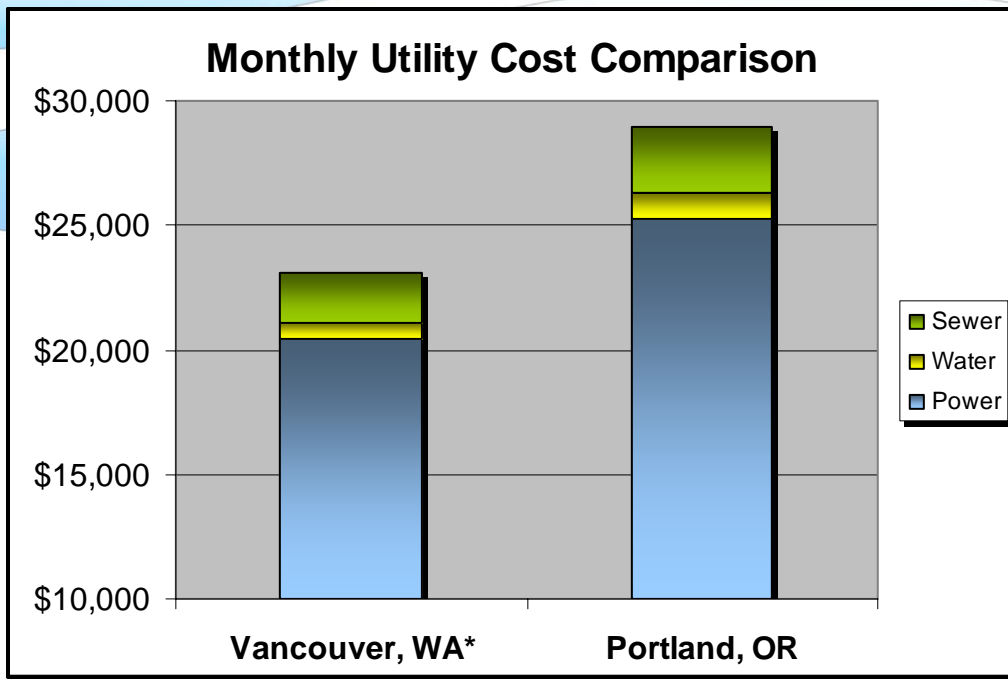
Source: Costar Group Analytics, 4<sup>th</sup> Quarter 2009 Office Market Report

# Monthly Utility Charge Estimates

The Pacific Northwest is known for its abundant, clean, inexpensive hydro power. Washington is one of the least expensive states in which to buy power. Firms reliant on heavy power will experience a great reduction in operating costs by locating in Clark County, Washington.

	Vancouver, WA	Portland, OR
Power	\$20,432	\$25,283
Water	\$644	\$1,025
Sewer	\$2,021	\$2,672
<b>Monthly Total</b>	<b>\$23,097</b>	<b>\$28,980</b>

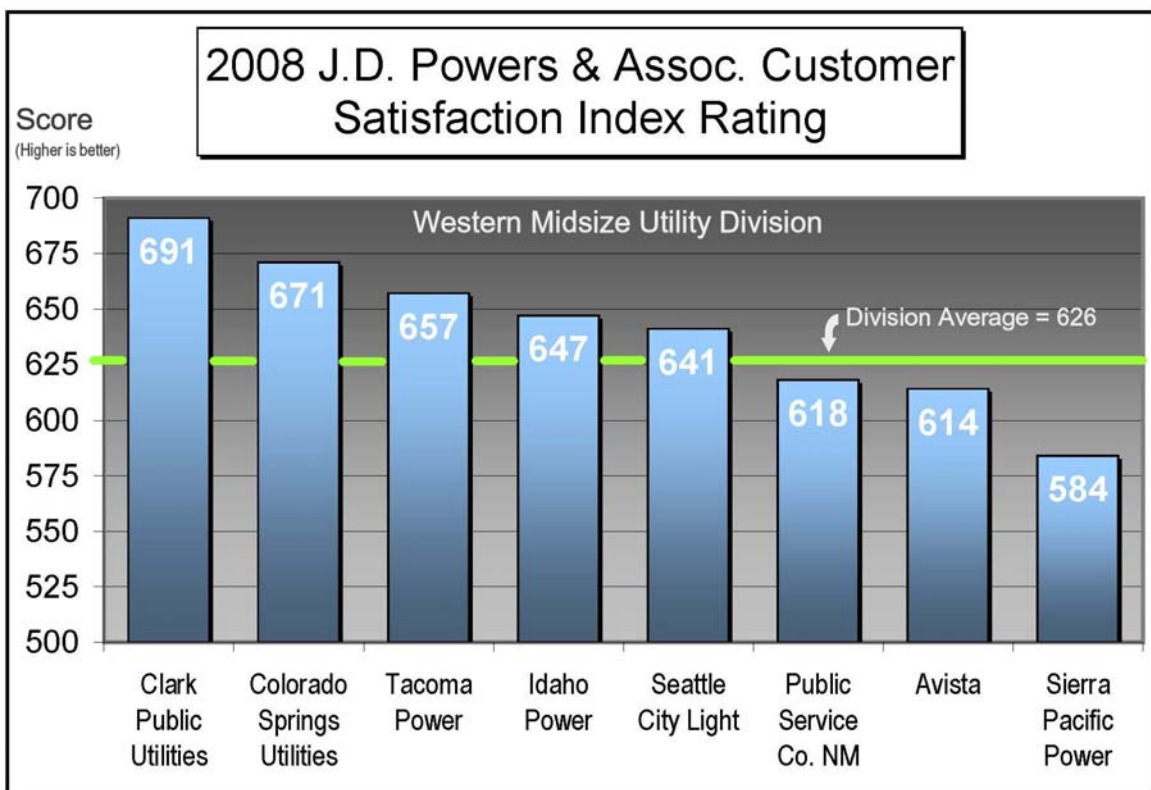
Assumptions: 1,000 kW Demand; 300,000 kWh/month; 95% Power factor; 10,000 gallons/day water and sewer



Disclaimer: Monthly utility estimates should be used for comparison purposes only, and not to estimate actual monthly charges.

## Clark Public Utilities' Customer Satisfaction

In 2008, Clark Public Utilities received the highest customer satisfaction rating in the Western Midsize Utility Division. J.D. Power and Associates examines the top electric utility providers in the areas of billing, cost/value, power quality, customer service and image throughout US. Additionally, the 2007 SRP Western US Utility Survey ranked Clark Public Utilities 1<sup>st</sup> for quality and reliability.

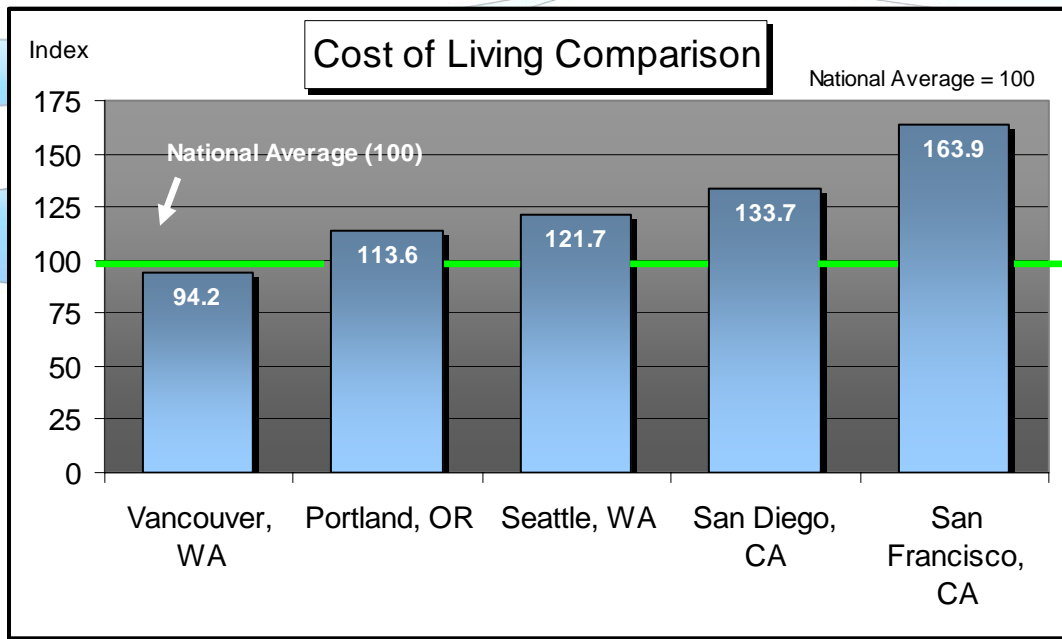


Source: J.D. Powers and Associates 2008 Electric Utility Residential Customer Satisfaction Survey

# Cost of Living

Vancouver, Washington's cost of living is below the national average and among the lowest on the west coast. According to the Third Quarter 2009 ACCRA Cost of Living Survey it is 17 percent lower than Portland, Oregon and nearly 6 percent below the national average. The National average is indexed at 100.

City	Index
Vancouver, WA	94.2
Portland, OR	113.6
Seattle, WA	121.7
San Diego, CA	133.7
San Francisco, CA	163.9



Source: ACCRA Cost of Living Survey 3<sup>rd</sup> Quarter 2009