



## Stop The Comcast Con

[Comcast is trying to avoid paying tens of millions of dollars in taxes by taking advantage of a tax break meant for Google.](#)

But it's not too late to stop it.

For a long time, Comcast has gotten away with paying exceptionally low property taxes because the company claimed it did not provide a “communication service” subject to central assessment. After the Oregon Department of Revenue (DOR) told Comcast that it in fact had to pay more, Comcast sued. [Oregon's Supreme Court rejected Comcast's argument](#) and sent the case back to tax court. The case is still dragging on, and the [taxes that Comcast owes aren't being paid](#) — by now, more than \$100 million in taxes have been held back.

While the case has been sitting in tax court, Comcast has taken to the Legislature to complain about their tax increases. In response, [legislators worked out a tax break for Comcast to write off its FCC license fees](#). The legislative tax deal was supposed to largely offset the tax increase resulting from Comcast being appropriately assessed as a communications company.

The tax break was included in a larger bill ([SB 611](#)) that also included a data center tax break and a tax break meant for Google to invest in gigabit internet service. But the bill language wasn't strong enough, and Comcast decided to pursue Google's tax break instead of the one specifically written for Comcast.

Google's gigabit tax break was designed to incentivize affordable, high-speed internet. But instead of actually creating such a service, [Comcast claimed to offer a service that qualifies for the tax break, even though it is so expensive very few can afford it](#): Customers are asked to pay at least \$1,000 in upfront costs and agree to maintain the service for two years, and risk paying a \$1,150 early termination fee. Plus, the service is only offered to people living within one third of a mile from Comcast's existing fiber footprint. [If approved, this tax break could save Comcast tens of millions of dollars on a phantom service that benefits basically no one](#). To make things worse, even though this ghost service is only offered in a few metropolitan areas, Comcast would get the tax break on its properties throughout the state.

Despite [protests from the Association of Oregon Counties, League of Oregon Cities, and the chair of the House Revenue Committee \(Representative Barnhart\)](#), the [Public Utility Commission signed off on Comcast's request](#).

Representative Barnhart's testimony was the most pointed, calling out Comcast for trying to claim a credit for which they should not qualify:

Customers are asked to pay at least \$1,000 in upfront costs and agree to maintain the service for two years (during which Comcast may change prices at their whim) and risk paying a \$1,150 early termination charge. The terms of this offer are calculated to be so unfavorable as to ensure no customers subscribe, while allowing Comcast to argue it has made an offer. This attempt to skirt the intent of SB 611 should be rejected.

After the Public Utility Commission approved Comcast's application for the tax break, it went on to the Oregon Department of Revenue for approval. The Department decided in May to reject Comcast's application, but Comcast appealed the decision. The director of the Department of Revenue is currently reviewing the application and should make a final decision by August 1, 2016.

If Comcast's latest attempt to get out of paying their Oregon taxes weren't bad enough, keep in mind that the company is already getting a significant property tax break as a result of voter-approved measures from the 1990s. (Voters capped tax rates, which reduced and slowed the growth of assessed property values.) According to the Oregon Department of Revenue, in 2015 Comcast had \$2.317 billion worth of property in Oregon, but it was only assessed at [\\$1.470 billion](#)<sup>1</sup>. Reducing the assessed value of Comcast property by nearly \$850 million a year saves the company tens of millions of dollars that would otherwise go toward schools and local government services. Furthermore, the franchise fee tax break the legislature wrote for Comcast was already worth [millions of dollars](#). More giveaways just don't make sense.

Comcast made \$8.2 billion in profits last year. The company doesn't need any more subsidies from Oregon. Join us in telling the Oregon Department of Revenue to reject Comcast's greedy money grab.

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Oregon Consumer League

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<sup>1</sup> FINAL ASSESSMENT ROLL PREPARED BY OREGON DEPARTMENT OF REVENUE FOR YEAR 2015