Oregon and Washington share a border, but their tax systems have historically been diametrically opposite.

Oregon has corporate and personal net income taxes, but no sales tax; Washington has a B&O tax, or gross receipts tax, and a sales tax, but no net income taxes. That changed with Oregon's adoption of its CAT, effective January 1. Now, practitioners and clients alike are comparing the Washington B&O tax and the Oregon CAT, as well as the Ohio CAT, on which the Oregon CAT was modeled.

To start, it may be useful to consider an underlying political observation about Oregon and Washington by Daniel Hauser, an analyst with the Oregon Center for Public Policy. In Hauser's November 2, 2018, commentary, in which he cited a report released by the Institute on Taxation and Economic Policy before Oregon's enactment of the CAT, he described the tax systems in Oregon and Washington as regressive (although it may be worth noting that, according to the same report, Oregon's tax structure was the 10th least regressive in the country).

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