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SB 311

Testimony

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I am opposed to SB 311 for several reasons. It is common knowledge among the business community that Oregon is NOT a good state to start or operate a business in. The only reason most people have a business in Oregon is that this is their home and they like it here.

Section 2 of this bill proposes a terribly high level of complexity that is simply not necessary. It adds unnecessary cost to the business owner and it also increases the cost to the State for enforcement of these complex rules.

The best and most fair way to tax a business is to base the tax on profits. Business owners don't mind paying a higher tax when they have had a profitable year, but it breaks the back of a business to be taxed on a lot of activity that has not resulted in any profit in a bad year.

Under current law if a company buys a small business to merge into their operation, the company can't claim the cost for the purchase as an expense. The only tax benefit it can get is to claim the cost of interest on money borrowed to buy the business.

We need to be encouraging small business in our state, not trying to drive them away. I heard recently that almost 80% of business taxes across the country come from small business. Laws and rules that are simple and easy to understand and administer are to everyone's benefit.



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