



Associated Oregon Industries

AOI TESTIMONY ON HOUSE BILL 4067 HOUSE COMMITTEE ON REVENUE

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AOI Opposes House Bill 4067. Regardless of the policy, the timing of the legislation could not be worse.

The October 2013 Special Session which produced the “Grand Bargain” required Oregon’s business community to step up to the plate in a big way.

We had to persuade our C Corporations that a higher tax rate would move our state forward. We had to persuade our skeptical memberships that additional taxes were needed to secure the PERS reforms we all knew needed to be enacted. We had to persuade our members that the state really did need additional revenue despite a huge increase in General Fund revenues. Finally, we worked to suspend our members’ disbelief that the Legislature would keep the integrity of the deal intact.

We sold the “Grand Bargain” to our members because we believed in the integrity of the process and the integrity of the Legislature – and that perhaps the Legislature may want to use the blueprint of the “Grand Bargain” to solve other big issues.

The policy that kept AOI members and members of other business associations engaged in the “Grand Bargain” was the small business tax cut. House Bill 4067 scales back the small business tax cut significantly and limits it to only the first \$250k of business income.

Our members will rightfully see this legislation as validation of their worst suspicions of the Oregon Legislature.

The business community must be able to trust the good faith of the Oregon Legislature in order to engage in big picture problem solving. House Bill 4067 not only undermines the “Grand Bargain” struck last October, but all future grand bargains as well.

We urge your No vote on House Bill 4067.