



**Testimony in Support of HB 2770
& in Opposition of HB 2063**

Submitted by Shamus Lynsky,
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February 23, 2017

Chair Barnhart and Members of the House Committee on Revenue,

I am testifying today on behalf of Oregon consumers and taxpayers to encourage you to pass HB 2770 to eliminate the unnecessary tax breaks for communications companies providing “gigabit” broadband internet service. I would also urge the Chair and committee to vote no on HB 2063, an unnecessary tax giveaway that will cost Oregonians much needed revenue in a time when the state does not have the funding necessary for essential state services.

As we are all painfully aware, Oregon is facing a budget shortfall of over \$1.5 billion dollars. If new sources of revenue are not identified there are essential health services, senior services and educational services (to name a few!) that will suffer because of budget cuts. In this budget environment, it simply does not make sense for the legislature to give money away to multibillion dollar corporations. Instead, the legislature needs to be looking for ways to increase revenue for vital services, not handing out corporate giveaways.

It is also short-sighted public policy to legislate tax breaks - tied to specific monthly prices and fees for a consumer service - for a specific technology for two reasons:

1. Consumer demand will dictate pricing, and
 2. The technology to deliver internet service to consumers is constantly evolving.
- Retaining this tax break for corporations will cost Oregonians millions of dollars that could be spent on essential services, all for a technology that will likely be replaced by the next best thing in the near future.

Communications companies did not need tax breaks to build the infrastructure for dial up internet, DSL, or cable/broadband internet. They do not need a tax break to build the infrastructure for fiber “gigabit” internet service or whatever will eventually come next to replace fiber. Consumer demand is incentive enough for these corporations to invest in the infrastructure necessary to provide “gigabit” service to their customers.

In conclusion, the “gigabit” tax break is unnecessary and too costly for Oregonians.

Please vote **YES on HB 2770** to eliminate these unnecessary and costly tax breaks.

Please vote **NO on HB 2063**, the unnecessary and costly “gigabit” tax break “fix”.