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March 1, 2017

House Revenue Committee

Re: Statement of Opposition to HB 2859

Mr. Chairman and Members of the Committee:

Western Equipment Dealers Association is an international trade association that represents approximately 2,200 farm, industrial and outdoor power equipment dealers in North America.

In Oregon, Western represents 64 dealer locations. Those locations account for over \$450 million in annual revenue and nearly 900 employees. Through the sale of equipment, parts, and service, our dealer members work in partnership with farmers and ranchers across Oregon to make them the most productive and competitive food producers in the world.

House Bill 2859 will have a severe detrimental effect on the ability for Oregon equipment dealers, farmers and ranchers to stay competitive in a global market, especially now. With the recent downturn in commodity prices across the board, and a corresponding increase in crop input prices, farmers and ranchers income has significantly decreased in the last few years. The decrease in farm income has also led to substantial decreases in equipment sales in the last few years as well.

Equipment dealers invest millions into land, buildings, purchasing inventory and training personnel. We cannot overstate the negative impact HB 2859 will have on the ability for equipment dealers to continue operating their business and continue employing people in Oregon at current levels. This legislation will dry up any capital farmers and ranchers have remaining right now to invest in new or even used equipment to continue competing on the world stage. If we continue down this path, Oregon farmers and ranchers will simply not be able to lead the world as outstanding Ag producers.

This is simply the wrong time to increase taxes on the agriculture community. It has been the hardest hit segment of the economy over the last couple years, and attempting to tax our way out of this years' budget gap by raising taxes on Ag is akin to standing in a bucket and trying to pull yourself up by the handles.

We strongly urge you support Oregon's Agriculture community by opposing HB 2859 in its entirety.

Sincerely,

Eric Wareham

Director of Government Affairs

Western Equipment Dealers Association