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June 14, 2017

Senator Mark Hass and Representative Phil Barnhart  
Co-Chairs, Joint Committee on Tax Reform

RE: Testimony in opposition to HB 2830-2

Co-Chairs 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.

Western Equipment Dealers Association is opposed to any gross receipts tax as it will significantly impact retail industries with low margins, such as our members. In addition to the direct impact on our members, the pyramiding effect of a gross receipts tax will have a significant impact on our customer base.

Western Equipment Dealers Association also have several co-op members in Oregon that have equipment dealerships as part of their business operations. We have heard from those members very clearly- this suggested tax structure would put them into a severe competitive disadvantage verses other business entity types.

A gross receipts tax could not come at a worse time for the agriculture sector. Commodities prices are drastically down over the past several years and input prices are up. Because of this, farm debt ratios have increased to historically high levels. Any additional increase in equipment and input costs would jeopardize the continual operation of generational farms and would certainly preclude them from purchasing equipment.

We strongly urge you support Oregon's Agriculture community by opposing HB 2830-2 in its entirety.

Sincerely,

Eric Wareham  
Director of Government Affairs  
Western Equipment Dealers Association