

**From:** [Sen Boquist](#)  
**To:** [LRO](#)  
**Subject:** FW: Say NO to a Tax on Oregon Sales  
**Date:** Saturday, June 17, 2017 6:11:09 PM

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Dear Senator Boquist & Committee,

Please vote NO on HB 2830, or any other attempt to implement a tax on sales in Oregon. The proposed commercial activities tax (CAT), would focus on revenue, not profit, and can apply even if a business loses money in a given year. It is astounding to me that after 97 was voted down just last fall that the legislature would try to put thru the same thing re packaged! This is especially harmful to low margin businesses like agriculture where it can take a significant amount of sales just to break even, let alone make a profit. While there are rumors of an exemption for natural resource related activities, those businesses would still be impacted by the pyramiding of taxes levied on inputs, transportation, etc. The ripple effect will be harmful, to those on the low end of incomes....which the legislature thought they doing a favor not very long ago.

HB 2830 would hit businesses organized as S-corps especially hard as their taxes will increase with the elimination of the small business tax cut, and they could be subject to double taxation as the income tax would still apply to the pass-through dollars even if they were taxed under the CAT already.

This proposal creates a new set of winners and losers. The winners will be big, highly profitable businesses while the losers will be small businesses and those with profit margins under 5%.

Another flaw of HB 2830 is that the \$3 million exemption can also be lowered with a simple majority vote of the legislature. So while many small businesses will be exempt from the CAT initially, I fear that future legislatures will look to lower the exemption, especially if no structural cost saving measures are adopted this year. Voters sent a strong message in November that they do not want a tax on sales in Oregon. HB 2830 uses the same flawed mechanism as that proposal and should be rejected by the legislature.

please , please instead work on spending reductions. And reorganizing PERs!

Please say NO to HB 2830! sincerely,your constituent...

Sincerely,

Darlene Bryant, small Farm owner  
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