



19 June 2017

Co-Chairs Mark Hass and Phil Barnhart
and Committee Members
Joint Committee on Tax Reform
Oregon State Capitol
Salem, Oregon

Dear Co-Chairs Hass and Barnhart and Committee Members:

The Oregon Solar Energy Industries Association (OSEIA) is the trade association for Oregon's solar businesses. We represent over 90 member solar installers, developers, manufacturers, equipment distributors, educational institutions and nonprofit organizations. OSEIA supports the proposed revenue package contained in HB 2830.

While no one likes paying more in taxes, our members recognize that the state must meet today's needs by funding education, public safety and aid to low-income Oregonians. We must also invest in tomorrow's needs by building the educated workforce and robust industries that will power Oregon's future economy.

OSEIA is working to ensure solar is a vibrant part of that future economy. Our top legislative priority this session has been a renewal of an incentive for residential taxpayers to install solar arrays on home rooftops. This type of state incentive has been a key part of the growth of the solar industry in Oregon. While the cost of solar is dropping, an incentive is still needed as a central part of the sales process of solar systems in communities around the state. Without such an incentive, the Oregon solar industry will see a significant contraction, resulting in substantial losses in jobs and investment.

The solar industry recognizes that when our top legislative priority is a financial incentive that affects the state budget, we must also be part of the revenue side of the conversation. For the first time ever in our history, OSEIA's Board of Directors authorized the organization to engage in revenue discussions. As part of that engagement, our board members who own solar businesses considered the proposal in HB 2830 including a short-term increase in the current corporate income tax and an eventual transition to a commercial activities tax (CAT).

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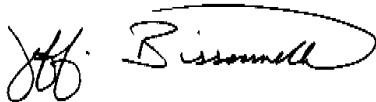
Our board found that HB 2830 is an approach we can support. It balances the need for additional revenue immediately while providing the business community additional time to assess the impacts of a new revenue structure. We can accept the increases in the current corporate tax rate and we look forward to being part of the discussion to ensure the proposed new structure meets its aims and functions well for Oregon.

OSEIA's board also believes that there may be other pathways to a viable revenue solution. HB 2830 is centered on a CAT. But if the budget negotiations moved to a different mechanism, as long as that mechanism resulted in stable revenues for the state, treated taxpayers fairly, prevented regressivity and had bi-partisan support, we would be open to that approach. But, again, the approach in HB 2830 is a positive step forward in the discussion.

OSEIA's work to craft a transparent and accountable solar tax incentive this session is progressing positively. OSEIA must stress that as we arrive at a solution, it is crucial to the solar industry that the legislature find a way to fund it. We look forward to continuing to be part of the revenue conversation so that Oregon has the resource base to meet its needs today and tomorrow.

Thank you for the opportunity to offer these comments.

Regards,

A handwritten signature in black ink that reads "Jeff Bissonnette". The signature is written in a cursive style with a large, sweeping flourish at the end.

Jeff Bissonnette
Executive Director