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VOTE NO ON SB 1528

From the Desk of
Senator Brian Boquist

11 facts on the Small Business Tax

- 1. SB 1528 is a 30% tax on small business.**
- 2. The total cost to Small business owners may be \$200-\$400 million**
- 3. SB 1528 increases the tax rate for small business owners** (from 7% to 9.9%, many LLCs, Sole Proprietors, S-Corps) but leaves the corporate rate (C-corporations) as is at 7.6%.
- 4. Taxes small businesses higher.** By spiking the small business rate to 9.9%, it then ends up taxing small businesses at a HIGHER rate than Oregon's largest corporations (C-corporations)
- 5. SB 1528 loots the 2017 Tax Reform package** passed by congress which intended to provide tax relief to small businesses. It does this by eliminating the 20% write-off on business taxable income for Oregon taxes.
- 6. SB 1528 loots the small business savings, rather than the big business savings** of the 2017 Tax Reform package.
- 7. Distorts tax code to favor big business.** SB 1528, by looting ONLY the small business tax relief portion of the 2017 tax reform package, SB 1528 grossly distorts the tax code to favor big corporations (C-Corporations) over small business ones (many LLCs, Sole Proprietors, S-Corps).
- 8. Second time it makes tax code unfair for small business.** SB 1528, if you have not counted by now, has for the second major time punished small businesses with higher taxes giving large businesses an unfair, unnecessary and uncalled for tax advantage over small businesses.
- 9. Family-owned penalty.** Under SB1528, even if a corporation is the same size and same revenue as a family owned (LLCs, Sole proprietors, S-Corps) business, SB 1528 helps tax the family owned business more creating a tax penalty for just being family owned.
- 10. Unconstitutional.** SB 1528 is unconstitutional because it raises \$200-\$3400 million in higher taxes and ignores the Constitutional requirement for 3/5th majority vote on all tax increases. It is a hidden backdoor tax increase.
- 11. Secretive and ram-rodged.** SB 1528 was voted out of committee within 100 hours during the short 35-day session juggling 8 amendments, with limited information to the public, making it one of the most secretive and pig-pilled bills in recent memory.

Note: The full picture and data from SB 1528 is being questioned and analyzed. This is the best information available under the rushed ram-rodged nature of this bill. Please note that LLC, Sole proprietors and S-Corps have many diverse tax structures which either allow them to operate similar to a C-corporation for tax purposes or as a "pass through" entity for tax purposes. The information provided above is to help showcase patterns and generally applied tax structures but is not exclusive to every single tax structure mentioned.

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