

Testimony Regarding Extension of Pass-Through Tax Breaks to Sole Proprietorships
21 May 2018

My name is Gerritt Rosenthal and I represent the steering committee for Onward Oregon, a virtual information network with more than 25,000 contacts. We support small business, especially start-ups. And while we accept the logic of the Governor's proposal to add sole-proprietorships under the same employment rules (one non-family person for at least 1200 hours) as currently apply to c-corporations, we do not support the current non-passive Pass Through tax benefits which go primarily to companies that do not need them. We feel they are a luxury we simply cannot afford. With that consideration, we strongly urge that the Governor's proposal be, at the least, amended to make it REVENUE NEUTRAL so that there will be no negative impacts to education and social services. Lowering the tax discounts or reducing the cap (e.g. so breaks would not apply above \$250,000 income) could be used to retain revenue neutrality and would at least partially address the fact that we currently provide more support for highly successful businesses than for smaller and start-up enterprises."

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