



## **HB 2264: Expansion of Agricultural Equipment Exemption**

Testimony for House Revenue – Jody Wiser – 2.28.2019

Any proposal to expand tax exemptions for farm equipment should be preceded by a study of their public benefits.

HB 2264 would exempt virtually every piece of farm equipment from a shovel to million-dollar processing equipment. It would apply to every kind of farm, winery, and nursery where those products are grown, packaged and processed.

The bill represents a further erosion of the tax bases of these farm communities. At the same time, the legislature has directed Business Oregon to expand its efforts in rural Oregon. Monday in the Ways & Means Committee, the department said it expended three-fourths of its budget in rural Oregon, over \$300 million. HB 2264 moves in the opposite direction.

The mechanical cotton picker was invented when I was a kid. Each huge machine cost tens of thousands of dollars and replaced many employees with one, more skilled employee. Hundreds of residents left my home town and moved to Watts, where the lack of work turned explosive. Should my dad have received a tax break for making an economic decision to replace labor with capital? The pattern continues today. With each round of new equipment, farmers get more efficient – and farm workers lose their jobs. That's a farmer's economic choice. Why would the legislature put its thumb on the scale of this equation?

Like other employers, farmers need to help pay for the education of the children in their communities. And when they suffer a fire or a theft, they expect and deserve fire and police protection. Unless we also determine that they should forego all public services, farm owners and crop processors should help pay for them.

*We read the bills and follow the money*