

Dear Co-Chair Smith Warner,

I am currently an Oregon farmer that has gross revenue of nearly \$1 million a year. This new additional tax wouldn't drastically affect my current farm but it would affect my future growth. I am in the process of looking into vertical integration for my farm by purchasing a processing facility. This facility would have expenses of nearly \$20 million every year with anticipated sales of \$20.5 million. This means the business would net \$500,000 before taxes. Along with the normal income taxes I would pay on this money, the additional tax created by HB 3427 would place an additional \$1 million in taxes on my company. ($20 \text{ million} \times 0.49$). This additional tax would create a net negative income for the business annually. Without the additional tax I would have a net positive income. If HB 3427 passes I will not consider starting this new business which will result in fewer new jobs in my community and fewer income taxes. Just because a company sells large quantities of product doesn't mean it actually nets much income. The margin on many companies sales is very slim. This new tax would kill Oregon business and force many companies to shut down or move to other states along with creating stagnant business growth. For these reasons I urge you to vote in opposition of HB 3427.

Sincerely,

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