

**Business for a Better Portland**  
**Ashley Henry, Executive Director**  
**April 18, 2019**

**Re: HB 3427**

My name is Ashley Henry, Executive Director for Business for a Better Portland.

The members of Business for a Better Portland recognize the value of a strong investment in public schools for the long-term success of our families and economy. We are enthusiastic about raising at least \$2 billion in corporate tax revenue to invest in our schools.

However, we see two needed improvements to this bill:

First, the new corporate tax should be structured in a way that acknowledges that small and emerging businesses—especially high volume, low margin businesses—face financial challenges that don't exist for large companies and multinational corporations.

The current proposal includes an exemption for businesses with annual revenue of \$1 million or less. To ensure that we continue supporting the small businesses that are driving our state's economic growth and distribute the corporate tax burden more fairly, this threshold should be raised. It doesn't make sense that a business with just \$1 million in revenue should pay the same tax rate as a corporation with more than \$1 billion in revenue.

Second, we recognize that early childhood and K-12 education investments are urgently needed. But any new corporate tax should also raise sufficient revenue to strengthen our state's workforce by funding our community colleges and public universities.

In particular, we see an opportunity to boost Career and Technical Education programs at our community colleges. These programs are extremely successful at addressing labor market demand and providing students of all ages with the skills needed for career success. What they lack is funding. If we invest \$70 million in Community College CTE, we could increase the number of Oregon graduates ready to step into family-wage jobs from 7,900 to 15,800.

At the same time, we must keep future student debt in check. By investing \$120 million in the Oregon Opportunity Grant, we can provide college access to every Pell Grant-eligible student.

Funding these investments would significantly expand the pool of skilled talent available to Oregon companies.

The members of Business for a Better Portland clearly see their responsibility in helping to fund public schools, as well as the benefits they receive from investing in high-quality education. We wholeheartedly support the work of this committee, but before we can enthusiastically support this proposal, we need to see changes to the structure of the corporate tax and an investment in our state's workforce through higher education. We look forward to working with you to further improve this proposal so we can support at least \$2 billion in new corporate revenue.