

From: [John Zielinski](#)
To: [JCSS Exhibits](#)
Subject: HB 3427 Gross receipts tax
Date: Friday, April 19, 2019 1:50:07 PM

Dear Co-Chair Smith Warner,

Co-Chair Boblan, Co-Chair Barbara Smith Warner,

I farm with my brothers in Marion County just northeast of Salem. I oppose HB 3427 for a number of reasons. The first being the cost to our small family business. On our farm we have wholesale and farm direct retail sales which total more than \$3,400,000. The gross receipts tax that is proposed would cost my family farm business \$16,910 per year. That would take 6% of our net income. That is disproportionate taxation. A 6% decrease in personal income is excessive. In agriculture the margins are small and vary year to year, a tax of this amount would hit us hard. This tax is a burden to small and independent businesses. On the wholesale side of our operation we are subject to market prices from the packers and processors, we would not be able to increase our prices to offset the additional taxes. As farmers we would also be burdened with the increase of costs in the materials and equipment that we need to operate. Our overall tax burden would probably be closer to 8-10%. The cumulative effect of this tax and others being considered by the legislature would be crippling the the Ag economy and community. Oregon Ag is an important industry which exports 80% of its production, bringing out of state dollars to the Oregon economy. Don't cripple the Oregon Ag economy, it is too important to this state and to family farms.

Regards,
John Zielinski

Sincerely,

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