



February 5, 2020

House Committee on Revenue
Oregon State Legislature
900 Court St. NE
Salem, Oregon 97301

RE: House Bill 4009

Honorable Chair Nathanson, Vice-Chairs Marsh and Reschke, and committee members,

The Portland Business Alliance (the Alliance) is greater Portland's Chamber of Commerce and represents the largest, most diverse network of businesses in the region. The Alliance advocates for business at all levels of government to support commerce, community health and the region's overall prosperity. We represent more than 1,900 members, from 27 counties, 13 states and virtually every industry sector. More than 80% of our members are small businesses.

Since the passage of the Student Success Act, we have greatly appreciated the continued engagement from Chair Nathanson, Senate Revenue Committee Chair Hass, and members of both committees with our members and businesses from across the state to identify possible technical improvements to make the new corporate activities tax (CAT) work most efficiently for businesses of all sizes and sectors. We also appreciate how you made a clear effort to avoid situations where the state CAT would double impact local taxes and fees, and to treat all businesses as fair as possible.

I am here today to request a small technical improvement that will fix a situation that is unique to the Portland area businesses that are subject to the Portland Clean Energy Surcharge that was approved by Portland voters in 2018. This fix would ensure that the revenues collected for the Portland Clean Energy Surcharge are not taxed as business receipts – preventing a tax on a tax. The CAT tax currently includes multiple exemptions for other surcharges, fees, and excise taxes to prevent this “tax on a tax” situation. Like some of the other exempted taxes, the Portland Clean Energy Surcharge can be itemized on a receipt, and many Portland businesses have chosen to itemize the surcharge this way.

The amendment we are proposing will make this small change, which will make a small but significant difference for the group of companies who are subject to this unique Portland tax, while having a minimal impact on Oregon CAT revenue collections.

Thank you for your consideration. I'm happy to answer any questions.

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