



**BOARD OFFICERS:**

**2020 CHAIR:**  
VONNIE MIKKELSEN  
Springfield Area Chamber

**CHAIR ELECT:**  
GIOIA GOODRUM  
McMinnville Area Chamber

**SECRETARY/TREASURER:**  
LAURA EDMONDS  
North Clackamas County  
Chamber

**PAST CHAIR:**  
LINDA MOHOLT  
Tualatin Chamber

**BOARD MEMBERS AT  
LARGE:**

JUSTIN AUFDERMAUER  
Tillamook Chamber

LISA FARQUHARSON  
The Dalles Area Chamber

BETTINA HANNIGAN  
Florence Area Chamber

TOM HOFFERT  
Salem Area Chamber

ELI MATTHEWS  
Medford/Jackson County  
Chamber

STACY PALMER  
Silverton Chamber

CHERI ROSENBERG  
Pendleton Area Chamber

ERIC SANDE  
Redmond Chamber

LYNN SNODGRASS  
Gresham Area Chamber

February 6, 2020

RE: **OSCC Opposes HB 4010**

The Oregon State Chamber of Commerce (OSCC) represents 84 local Oregon chambers of commerce and the 27,000 local businesses that are chamber members in every corner of the state.

OSCC opposes HB 4010 which would disconnect Oregon from the federal Opportunity Zone program and disallow the capital gains tax deferral benefits for Oregon investments. We can think of no reason this bill should pass as it has no evident upside, but in fact, is rife with negative consequences. Opportunity Zone tax benefits are linked to investment in our communities. We do not wish to see this investment so needlessly compromised as it is badly needed and welcome in our communities.

The apparent intention of HB 4010 to eliminate "tax loopholes" or deferral incentives that may reduce capital gains tax revenue into state coffers. HB 4010 would be a poor choice of programs to disincentivize, as Oregon would likely not realize those capital gains taxes anyway due to (1) Oregon taxpayers holding on to their taxable assets, (2) Oregon taxpayers investing in Qualified Opportunity Zones in other states, (3) Oregon taxpayers parking their capital gains into 1031 exchanges, and (4) out-of-state investors bypassing Oregon for other investment opportunities. In summary, there are so many options for investors with capital assets that it's unrealistic to expect the state will realize capital gains revenue with HB 4010.

The costs to the state, and our local communities, by passing HB 4010 are far greater than any revenue benefits realized by the bill. Communities will lose out in housing and business development, the corresponding increases in local property tax bases, the loss of income taxes from jobs and businesses created, and the increases in capital gains revenue when assets invested in OZ's begin to be sold. Closing the door to these opportunities seems unfathomable.

In short, HB 4010 creates needless disincentives for investment in our communities. We need every tool possible to create thriving communities and we ask that the state legislature partner with us and not create barriers. Please reject HB 4010.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "V. Mikkelsen".

Vonnie Mikkelsen  
OSCC Chair

A handwritten signature in blue ink, appearing to read "JL Wilson".

JL Wilson  
OSCC Legislative Counsel