



TESTIMONY ON HJR 203 BEFORE THE HOUSE REVENUE COMMITTEE

February 11, 2020

Chair Nathanson and Members of the Committee:

Oregon Business & Industry (OBI) is the largest statewide business organization representing approximately 1,600 businesses that employ nearly 300,000 Oregonians. Our members cover virtually every industry in Oregon, and more than 80 percent of them are small businesses with fewer than 100 employees.

OBI is submitting this testimony in opposition to HJR 203, which repeals the Oregon state constitution provision prohibiting transfer taxes on real property. Given the totality of new taxes imposed on Oregonians within the last year – the corporate activity tax, an additional payroll tax to fund a paid family leave program and health care taxes to fund Medicaid – now is not the time to further increase the financial burden of living and working in Oregon.

It appears that one motive behind this resolution is to raise new revenue to fund housing development. It is generally understood that if you want less of something, you should tax it. It seems inappropriate then that the resolution will lead to new taxes on the very thing it is trying to encourage – housing. If the legislature would like to get more Oregonians into homes, it would be more appropriate to pursue policies that allow businesses in our state to grow, hire more employees and pay higher wages. HJR 203 will not have that effect.

OBI is also concerned that this resolution will lead to double taxation. If the legislature passes a transfer tax on real property, when real property is transferred as part of an estate, the value of the real property could be subject to both the transfer tax and the estate tax. This will be especially burdensome for Oregon farmers and small business owners, both of which already struggle to pass on operations from one generation to another as a result of the costs associated with the estate tax.

For these reasons OBI is opposed to HJR 203, and we urge the committee not to move forward with the resolution. Thank you for your consideration.

Sincerely,

Mike Stober
Director of Tax and Fiscal Policy
Oregon Business & Industry