



February 17, 2020

Chair Nathanson and Members of the Committee:

The Hillsboro Chamber represents the voice of our more than 800 business members that have a tax-paying workforce of nearly 80,000. Our organization represents every size of business from the sole proprietor to the very large private sector employers.

The Hillsboro Chamber is opposed to HB 4164, which provides the metropolitan service district (Metro) with the authority to impose an income tax at a rate of up to 2%. Here are just some of the new taxes that have been imposed on Oregonians and residents of the Portland Metro area in the last several months:

- A \$1 billion per year corporate activity tax,
- A 1% Portland gross receipts tax (clean energy surcharge),
- An additional payroll tax to fund a paid family leave program, and
- New health care taxes to fund the state's Medicaid program.

The cumulative impact of these new taxes, and others on the drawing board, including Metro's announced plans to ask voter approval for new transportation taxes in the fall. As well as the Governor's desire to add new property transfer taxes to pay for affordable housing initiatives through the Governor's HJR 203 and the Speaker's advocating for \$60 million in new funding for "unsheltered Oregonians". We have multiple new potential revenue streams in front of you that are all chasing the same noble cause without a clear plan to deliver results or any attempt to coordinate these efforts into some strategic plan or organized process. A proposed doubling of Metro's taxing authority now added on top and in an extremely rushed fashion necessitates the Hillsboro Chamber to oppose this bill.

The Hillsboro community is not immune from the perils of homelessness and we firmly agree we must come together to address this issue in communities all over this state. This issue does not just impact the Metropolitan area.

Our small businesses are reeling from the impact of the Commercial Activities Tax. They have not been held harmless and, in fact, are truly struggling to remain solvent.

Economist from the Oregon Office of Economic Analysis testified that the state's revenue collections continue to outpace what they had projected in prior forecasts. As a result, they increased their projection of net available resources for the 2019-2021 biennium by \$174 million relative to the December 2019 forecast. This isn't an unusual event but instead part of a recent trend. Projected net available resources for the state are up \$649 million from the close of the 2019 legislative session forecast. We are not only generating record revenue, but economists continue to raise their expectations of the amount of tax revenue we will continue to generate in the future. It appears that revenue is not the issue. Innovative, data driven, sustainable solutions that give all Oregonians opportunity to grow, live and thrive should be our driving focus and a true priority for growing state resources.

We ask members of the Committee to consider the cumulative impact of all the tax increases over the past several years that have been levied at businesses in the Metropolitan area as well as around the State. Oppose HB 4164.