

From: [Vonnie Mikkelsen](#)
To: [LRO](#)
Subject: Preserve Opportunity Zones - Reject HB 4010
Date: Monday, February 17, 2020 9:20:05 AM

Dear Chair Nathanson,

The Springfield Area Chamber of Commerce represents more than 750 employers across the Eugene and Springfield metro, and surrounding communities across Lane County. Our business advocacy council and executive board leadership have received, studied, and reviewed the proposal HB 4010 which would repeal opportunity zones in Oregon. As business and economic development representatives of our region we stand united in opposition to this bill

I am writing today to urge you to oppose HB 4010 which would disconnect Oregon from the federal Opportunity Zone program and disallow the capital gains tax deferral benefits for Oregon investments.

Opportunity Zone (OZ) tax benefits are linked to investment in our communities. The costs to the state, and our local communities, by passing HB 4010 are far greater than any revenue benefits realized by the bill. Disconnecting will create added complexity and confusion, particularly for the Oregon investor who is willing to focus on smaller and rural community projects in Oregon. The added complexity will also make it more difficult for local and regional agencies to establish programs that leverage the incentive to achieve broadly targeted goals. Disconnection only changes the eligibility of Oregon tax payers to realize the capital gains incentives in future years for investments made in Oregon. Out of state tax payers or multistate corporations can still invest in, and receive tax benefits from, Oregon's OZ's and Oregon investors can invest in out-of-state funds or properties in OZ's in other states.

At best, this will lead to out-of-state ownership and control of Oregon assets at the expense of local ownership and control. At worst, disconnecting Oregon from the federal tax code means no investment in our neediest areas. Disconnection may simply discourage Oregon taxpayers from making local investments in Oregon companies and properties. Any potential benefit of OZ's will be lost.

HB 4010 needlessly disincentivizes investment in our communities. Please reject HB 4010.

Sincerely,

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