

SB 139 A: Good for Small Business

SB 139 A will focus the pass-through entity tax break on the original intent of the law – supporting small business growth and encouraging job creation

Supports Small Business Growth

- This program is limited to businesses with no more than \$5M of ordinary business income (profit).
- Sole Proprietors are untouched by the changes and **may benefit** from the tax rate reductions.
- Small businesses with profit below \$250K will not be affected by the changes.
- The rates for some small businesses are reduced:
 - 7.2% rate reduced to **7%** for businesses with a profit of between \$250K to \$500K
 - 7.6% rate reduced to **7.5%** for businesses with a profit of between \$500K to \$1M

Encourages Job Creation

- Businesses with over \$250K profit must meet a higher employment requirement.
 - 1 Employee per Owner for businesses with a profit between \$250K and \$500K
 - 2 Employees per Owner for businesses with a profit between \$500K and \$1M
 - 4 Employees per Owner for businesses with a profit between \$1 and \$2.5M
 - 10 Employees per Owner for businesses with a profit between \$2.5M and \$5M

OR

- Businesses who don't qualify on basis of employees are eligible for the program if they invest 75% of their profit back into their business. This investment will help the business grow and lead to the future hiring of employees

SB 139 A continues and enhances an important tax break for small Oregon businesses at a lower cost to Oregon taxpayers.

From the desk of Senator Ginny Burdick