

House Committee On Energy and Environment  
Chair Marsh and Members of the Committee  
Testimony in opposition of -1 Amendment to HB 2674

Chair Marsh and Committee Members,

My name is Joe Spendolini, I am the Chairman of the Klamath County Chamber of Commerce Government Affairs Committee. For your consideration, I respectfully submit this testimony in opposition to -1 Amendment to HB 2674.

Our Chamber strongly opposes the numerous taxes on working Oregonians proposed in the -1 amendment to HB 2674 for many reasons.

The most recent revenue forecast shows significant tax revenue collections for Oregon, more than enough to trigger the kicker rebate. This clearly indicates the taxes proposed in this amendment are not needed to fund services.

Our community, like many others across the state, has been hit very hard by the response to COVID-19, the 242 wildfire, and the current drought. All of our communities need to be given an opportunity to financially recover before being overly burdened by additional new regressive taxes.

The COVID-19 pandemic caused market disruptions which had major cash flow impacts on farmers and ranchers. And as with other sectors, many agricultural operations are currently at their breaking point.

The -1 amendment taxes tires, farm equipment, and off-road fuel. These proposed taxes will especially harm small, rural Oregon agricultural communities, like Klamath County.

These taxes are regressive taxes that will ultimately hit our poorest the hardest. If the proposed taxes contained within -1 amendment are approved, they will increase the costs of food grown and raised everywhere in Oregon. To remain in business, the agriculture industries will have to pass these costs on to the processors and producers they supply. In turn, they will have to pass them on to the retailers they stock, who will then increase the retail prices of the food products they sell. How many citizens will have to make cuts to the food they eat because of these increases?

I know many are unaware of what our agricultural sectors produce. Yes, they produce food products, but many are unaware that many of those products are the main ingredients used by major national and international manufacturers and distributors. The agricultural industries operate on very narrow margins. These additional taxes will unfairly increase their costs and likely impact their competitiveness in a highly competitive industry. Increasing these costs could result in the major manufacturers that they supply to seek less expensive products from growers and producers in other states that do not have to include these taxes in the prices they charge, placing their entire operation, and the taxes this would impose, in real jeopardy.

I respectfully ask that you help Oregon agriculture remain competitive with their counterparts in other states by voting no on the -1 amendment to HB 2674.

Respectfully,

Joe Spendolini  
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