



Date: May 25, 2021
RE: Vote No on SB137 Amendment -2
To: Senate Committee on Finance and Revenue

The Springfield Area Chamber of Commerce represents 750 members across the Springfield, Eugene, and surrounding communities of Lane County. We strongly oppose a tax on PPP loans as proposed by SB137-2.

Taxing PPP loans intended to save small business and provide a path to recovery for our state's small business economy flies counter to a stable economic recovery plan. It is confusing, unnecessary, and without clear benefit or purpose for working families, small businesses, or the community they serve.

We respect and acknowledge our public health and healthcare community partners. They have helped us better understand, appreciate, and implement extensive pandemic-related safety measures; some of which have received financial support, but most of which have been and will continue to be assumed by businesses. This has generated tremendous pressures, and yet we continue to pursue the best outcomes for our employees and our community.

We know our legislators appreciate Oregon small businesses and would not consider imposing new taxes on the very federal assistance meant to bolster their recovery and protect Oregon jobs. We are very concerned about the wisdom of enacting a new tax on the backs of small business given the May Revenue Forecast projects a \$2.8 billion positive ending balance and a federal direct financial aid allocation of \$2.6 billion from the American Rescue Plan Act of 2021.

We have many questions deserving of your thoughtful response:

- Why is a new tax on small business necessary?
- For what purpose will these new revenues be used?
- Have you considered the financial impacts of recently mandated mask and vaccination enforcement burdens that continue to add direct costs on small businesses;
- Have you given thorough consideration to how this new tax would encroach on the ability or certainty of businesses intending to increase wages and benefits to recruit for economic demand;
- Finally, please be reminded that \$100,000, the benchmark for the proposed -2 amendment tax, is the approximate equivalent of a loan that would support the payroll and other expenses of a business employing as few as 5.0 FTE;

We urge you to vote with small businesses by voting no on taxing PPP loans intended to keep small business open and employees working.

Respectfully,

A handwritten signature in black ink, appearing to read "V. Mikkelsen".

Vonnie Mikkelsen
President and CEO