

Chair Senator Burdick, Vice Chair Senator Boquist, and Members of the Senate Committee on Finance and Revenue.

In my capacity as President of the Salem based businesses NW Alpine Gear LLC and Kichatna Apparel LLC, I am submitting testimony today related to SB 137.

Our businesses employ fifty Oregonians in the manufacturing sector.

I would like to specifically address the portion of the bill dealing with the taxation of PPP loans. To retroactively tax PPP funds as income and depart from the federal treatment of loan forgiveness would be reprehensible and completely at odds with the spirit of the PPP program. Done at a time when the state has seen record revenues and received \$2.6 billion in ARPA funds, one cannot help but feel as though the state truly does not appreciate or understand its small business community.

To add this unnecessary burden on top of Oregon's CAT and upcoming FMLA taxes is insulting to small businesses that have worked so hard to survive during these unprecedentedly tough economic conditions. If the state continues down the path of treating business as nothing but an unending revenue stream, there will be an exodus of small businesses to other states, some businesses will decide it is not worth it to operate and close down and recruiting new businesses to set up shop in Oregon will be nearly impossible.

I personally know of two companies that have left Oregon in the last couple of years due to regulatory and tax burdens. One is a business that does \$20 million in annual revenue and employs 60 people and has since moved their headquarters and employees to Texas. The other is a defense contractor that does millions annually in federal contracting and has moved to Idaho. In the long run how much tax revenue is the state missing out on by pushing these companies out?

Lest you think I am an anti-tax crusader, that is far from the truth. As a former teacher whose wife currently teaches fourth grade at a public school in Monmouth, I understand better than most the necessity of funding important public programs. However, this MUST be balanced with reasonable expectations of the tax burden that small businesses can handle.

I urge you to please reconsider this bill specifically and generally start doing what is right and smart for the small businesses that drive Oregon's economy.

Sincerely,

Bill Amos
President
Kichatna Apparel Mfg. LLC
NW Alpine Gear LLC