



May 25, 2021

To: Chair Burdick and Members of the Senate Committee on Finance & Revenue
From: Brittany Quick-Warner, President and CEO
RE: Eugene Area Chamber of Commerce's Testimony on SB 137

Chair Burdick and Members of the Senate Committee:

I am Scott Rogers, Director of Business Advocacy with the Eugene Area Chamber of Commerce. We represent over 1200 members across for full spectrum of business and industry.

Thank you for the opportunity to discuss our opposition to the -2 amendment to SB 137, which would tax forgiven PPP loans. This is an important issue for our members and the broader Eugene business community.

The CARES Act authorized the creation of the Paycheck Protection Program (PPP), which acted as a federal lifeline for both employers and employees that provided temporary and limited funding to businesses in the form of loans that would be fully forgiven if used for authorized purposes. These funds were never intended to be taxed.

Our businesses are still struggling from the detrimental effects of the global pandemic and government mandated shutdowns. Many are still questioning whether they have enough resources to restart their businesses and retain employee over the expected multi-year recovery period.

We don't know how long it will take our local economy to recover from one of the worst social, health, and economic catastrophes of the past 100 years. This is not the time to increase taxes on our businesses, and we feel it inappropriate to tax funds that were meant to help our businesses survive and retain employees.

The State of Oregon is awash with federal funds with a direct \$2.6 billion in direct financial aid from the Biden Administration's American Rescue Plan Act of 2021. Additionally, the May Revenue Forecast was incredibly strong, projecting a \$2.8 billion positive ending balance. This amounts to a \$1.1 billion increase from the March Revenue Forecast and a \$2.3 billion increase from the 2019 Close of Session Forecast.

With the current budget surpluses there is no justification for raising taxes on hard hit businesses recovering from the pandemic and mandated government shutdowns.

Thank you for your consideration.