



May 26, 2021

Senate Committee on Finance and Revenue  
900 Court St. NE  
Salem Oregon 97301

Re: SB 137

Chair Senator Ginny Burdick and Committee Members:

Thank you for the opportunity to provide written testimony regarding the proposed taxes on funds dispersed by the Payroll Protection Plan. When employers applied and used these funds, the vast majority did not know how badly their businesses would be affected by the COVID-19 lockdowns, if they could keep their staff if they were able to get through this crisis, or even if their business would survive. This was a lifeline that employers took in good faith from the Federal Government that this money would not be taxed. And those that want to get the money forgiven, I have yet to speak to an employer that did not, spent money on things like payroll to keep their employees paid and employed, and to pay rent and utilities. This spending kept our economy going at a crucial juncture.

As the COVID-19 crisis appears to be abating, making the PPP money taxable is changing the rules of the game after the fact. It sends a bad message to businesses that need certainty when making business decisions. If this change in tax code (a tax increase) is passed, it will send a dangerous precedent that businesses cannot trust Oregon's government. We seem to be having crises frequently enough that maybe the next time, businesses collectively refrain from trusting the government for assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Arin J. Carmack", with a long, sweeping underline that extends to the right.

Arin J. Carmack  
CEO

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