



June 21, 2021

SB 139-A Pass Through Entities Tax Rate and Changes - Support

Chair Nathanson, Vice Chair Pham, Vice Chair Reschke and Members of the Committee

OWRC was formed initially to support the Equal Rights Amendment in the 1970's. Since that time, we have promoted legislation that improves the lives and women and families. For the last 20 years we have focused attention on equitable tax treatment to address income disparity.

While we did not support the original legislation in 2013 which created a pass-through rate of taxation lower than the rate at which most employee's salaries are taxed, the legislation passed.

The bill before you provides some improvements to the legislation in keeping with the original intent to create more employment and ability of "small businesses" to invest in their businesses.

If you are an entity qualifying and your profits are \$250,000 or less there is no change. Those are the "small businesses" for which the original legislation was intended.

There are additional employment and/or investment in businesses required over that \$250,000 in profits up to a cap at \$5 million.

Though we opposed the underlying legislation, this version trims back the most egregious benefits for those with profits of over \$5 million.

We urge passage of SB 139-A to help with the inequities in our system of taxation.

Thank you for consideration of this bill.

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