



Taxpayers Association of Oregon

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HB 2839 is a backdoor tax increase on businesses

To: Chairwoman Nathanson, members of the House Committee on Revenue
From: Shawn Cleave, Spokesperson for the Taxpayer Association of Oregon

The Taxpayer Association of Oregon respectfully submits this memo in opposition to the policy introduced in HB 2839, disconnecting Oregon's tax code from the federal CARES Act.

Despite the current debate over what constitutes a "tax," the amendment will have the effect of raising taxes on small businesses in Oregon. HB 2839 is a tax increase.

- **Last year Oregon was rated the 6th biggest job loss state per virus death. This means our businesses are hurting more deeply than 44 other states.**
- **Oregon, as of today, remains only two states where businesses remain mostly closed according to the New York Times. Oregon cannot endure the double hit of prolonged shutdowns, worse than 48 states, while simultaneously stripping them of their COVID relief programs.**

Right now, small businesses are struggling the cash flow as a result of the pandemic crisis, and the broad policies adopted in response. It is very important to remember that some or all of the losses incurred by these businesses are a result of mandated closures or mandated curtailment of operations due to the COVID pandemic. The Taxpayer Association of Oregon supports maintaining a full connection to Federal CARES Act.

We believe the adoption of the policy outlined in the -1 amendments (in this, or any other bill) will have a negative revenue impact in the long run. Forcing more small business to lay off more employees or close their business all-together. As a result, income tax and Student Success Act tax collections will be reduced, and more Oregonians will be enrolling in unemployment benefits and other social safety-net programs.

Now is not the time to raise taxes, especially on those businesses that are incurring losses due to COVID. Please oppose HB 2839.