



**Senate Committee on Finance and Revenue**  
**February 22, 2021**  
**Oregon Farm Bureau Federation Opposes the -1 Amendment to SB 137**

Chair Burdick, and members of the Committee:

Thank you for the opportunity to present testimony to the Committee today. The Oregon Farm Bureau Federation (OFBF) is the state's largest general agriculture association, representing nearly 7,000 families engaged in farming and ranching. We write today in opposition to the -1 amendment to SB 137, which eliminates much-needed tax relief for local farms and small businesses.

In response to the COVID-19 pandemic and resulting economic hardship, Congress passed the CARES Act in 2020, which made significant reforms to the federal tax code to provide tax relief to businesses to help address issues with cashflow and liquidity. The CARES Act includes key policies intended to mitigate the financial hardships that families and businesses have experienced because of sudden job losses and market disruptions due to the COVID-19 crisis. Importantly, it includes three provisions to provide businesses with relief: (1) the business loss limitation provision, (2) the net operating loss provision, and (3) the business interest limitation provision. These provisions allow for the immediate monetization of business losses and an increased deduction for interest paid in order to address liquidity issues in a time when most businesses are experiencing challenging cashflow issues.

Unfortunately, SB 137 -1 denies much-needed tax relief to local farms and businesses by disconnecting from these three provisions. It is still unclear whether the state will need to fill a budget hole in the current biennium, as negotiations around a relief package are ongoing between the new Administration and Congress. However, if the -1 amendment were adopted, it would jeopardize the immediate cashflow needs of local farms and businesses, many of whom have suffered state shut-downs, increased workplace mandates, and upside-down markets.

Even though many agricultural operations were allowed to remain open during 2020, farm and ranch families have struggled with challenging market conditions and new state workplace mandates that added to the cost of farming and increased individual farm liability. In March, the pandemic had an immediate and devastating impact on 42% of the nation's food supply as restaurants, food service, and institutional buyers were shut down. Market disruptions which had major cash flow impacts on farm and ranch families were felt through much of the rest of 2020. And as with other sectors, many agricultural operations are currently at their breaking point. It is premature to start the conversation about disconnecting from the CARES Act tax relief provisions when so many local businesses are still struggling to recover.

OFBF appreciates the Committee's consideration of the possible opportunities and shortfalls of disconnecting from the CARES Act as proposed in the -1 amendment. However, we don't believe this conversation is timely and respectfully ask the Committee not to advance the amendment to SB 137. Oregon has a long road to economic recovery, and family farms and ranches are looking for relief during these uncertain times. Thank you.

Please contact Jenny Dresler ([jenny@pacounsel.org](mailto:jenny@pacounsel.org)) for Oregon Farm Bureau with any questions or comments related to this testimony.