

TO: House Committee on Human Services
FROM: Susan Pozdena
RE: HB 4079

I urge you not to pass the proposed HB 4079 which proposes to impose sales and use tax on sales of certain luxury goods to provide stipends to the poor. My reasons for opposing this program are as follows:

1. This is a sales tax. Voters in Oregon have repeatedly voted down sales tax. This bill conflicts with the wishes of our electorate. Also it would be a toe in the door into sales tax facilitating the state to expand to other items – all against voters' directives.
2. We currently have a very progressive tax system. Adding yet another program is inappropriate.
3. Oregon is a highly taxed state. Historically, we have lost businesses and population because of our heavy tax burden. This tax may be the last straw that drives sellers of the targeted goods out of the state.
4. The assumption behind the bill is that revenue will be pulled from those purchasing luxury items. However, on the margin, taxes discourage purchases. Such a program is likely to result in disappointing revenue generation due to lost sales.
5. Also, as the bill will discourage sales, those who make and sell the luxury goods will suffer lost sales and wages. Many of these are lower income individuals. The state will suffer reduced income tax and corporate tax revenue from those individuals and businesses as a result of the program.
6. The bill outlines several administrative activities necessary to support the program. As with many government efforts, much of the revenue will be expended on administrative costs and will not end up in the pockets of the intended population.

I am a non-affiliated voter from the Portland area of 97229 and, again, urge you not to support this bill. Thank you for considering my opinions.