

Submitter: Gene Souza

On Behalf Of:

Committee: House Committee On Human Services

Measure: HB4079

Creating a luxury tax will change spending behavior impacting Oregon small business owners, the true generators of wealth. My wife's photography company routinely invests in electronic upgrades for cameras, computers, travel trailer, and towing vehicle. All of these items are proposed to be heavily taxed on a small business that is struggling to keep prices affordable. As explained by John Phalen at <https://www.americanexperiment.org/congress-passed-a-luxury-tax-to-tax-the-rich-but-it-brought-in-no-revenue-because-the-rich-changed-their-behavior/>

"Rich people, strange as it may seem, react to relative price changes, too. For high-priced new boats, for example, they had alternatives. Some bought used luxury boats instead of new ones. Others decided not to trade in their older luxury boats for new ones. Still others bought their new boats in other countries and never brought them back to the United States to be taxed. The moral of the story for politicians is that the laws of supply and demand apply to everyone, rich and poor, young and old, whatever their description might be."

Changing how and where people purchase goods will not benefit the State, nor improve conditions for those in dire circumstances.

The role of government is to provide a venue to provide essential services such as providing a common defense (police force), resolving disputes (court system), and establishing stability. The State should not interfere with the role of individuals to help their neighbors, churches to help their communities, and non-profit organizations to further their agendas.

I oppose this bill and encourage those who represent me to vote NO.

-Gene Souza