



June 6, 2023

Chair Meek, Vice-Chair Boquist, and members of the Senate Committee on Finance & Revenue:

Our organizations represent Oregon's agricultural community and broader natural resource sector. Within our memberships, we're proud to represent producers utilizing a wide variety of production practices, from organic and conventional to everything in between. From nurseries and wheat to hazelnuts and blueberries, our members are directly involved in farming, ranching, and agribusiness across every county in Oregon.

**Please oppose Senate Bill 140 with the -3 amendment**

We are supportive of raising the exemption threshold from \$1 million to \$2 million. This could provide helpful relief to small businesses while allowing the state to meet its \$1 billion annual revenue goal dedicated to education. However, we do not support raising taxes on sales.

Farmers and ranchers not only sell products, but these small businesses are also consumers. That means, raising taxes on sales raises the cost of doing business in Oregon. Or put another way, raising the Corporate Activity Tax (CAT) liability on a business to business sale by reducing the deduction and in some cases, increasing the rates. To that point, the amendment could benefit small businesses by increasing the exemption threshold but by increasing the CAT liability on business to business sales, the cost of doing business could increase.

In a time of great regulatory pressures, rising costs of doing business, and immense tax burdens, we are asking that the legislature not move forward with the -3 amendment.

Thank you.