

Dear House Committee on Economic Development and Small Business,

I am writing to urge you to oppose HB 2505 that will allow local communities to raise the sales tax 7%. I understand that the Oregon legislature is always looking for new sources of revenue and I am not questioning the importance of the needs for that revenue. But, the recreational marijuana industry is not even a decade old. Our customers already pay 20% on their purchases, as you know. Business in Oregon's struggling marijuana industry is already down 10%-20% this year. Compare tax revenues collected in 2022 compared to 2021 and previous years, and I am sure you will see that the trend line for the marijuana industry is not positive and should of concern to you. Every month I hear about marijuana businesses that are closing at every level of the industry. We compete against illegal black market products that are widely available to many of our customers. The black market pays no taxes to Oregon, not sales tax nor state income tax. In addition, the federal government imposes a truly punitive regulation in its tax code, 280E, which prevents businesses that are legal in Oregon from taking common tax deductions for expenses that every other business in the country can take. We are largely an industry of small businesses struggling to thrive and employ the thousands of Oregonians that we do. Imposing another 7% on our customers and indirectly, us, would further put much of our nascent industry at risk.

Sincerely,

Lawrence Siskind

Eugene OG