

Submitter: Eric Stroup
On Behalf Of:
Committee: House Committee On Revenue
Measure: HB2433

To whom it may concern,

I am writing this note to support HB2433 which would alter the exemption standards for the State of Oregon Corporate Activity Tax.

My wife and I have owned and operated two independent NAPA Auto Parts Stores in Silverton and Mt Angel for 31 years. We have approximately 20 employees. In our 31 year tenure we have provided dozens of living wage jobs to local residents, as well as many more part time positions.

In that time, we have watched margins shrink in a way that no one could have predicted. In 1992, when we started, a well run NAPA store could expect to operate at 8-10% net to sales. Today, the same business would be considered a good performer if it achieved 2% net to sales.

What this means is that in order for us to survive, we must continue to move more units each year to net the same amount as the previous year. In short, we have become very much like the grocery business, operating on razor thin margins just to break even. This type of tax on gross revenue is brutally unfair to any business that works on volume as opposed to a reasonable return on each unit sold. We are not anti-tax, we simply feel that taxation on gross, as opposed to net, is a highly flawed plan, if the State of Oregon cares about its small businesses that are slugging it out with mass merchandisers and on line retailers every day.

One final word: Businesses such as ours are the backbone of the small town. We give people a reason to shop locally, we support every single school event that needs us, give to local charities, as well as being active in community politics and events. And let's not forget all of those jobs that we provide locally. This is what small town life is all about. Please vote to help maintain that.

Respectfully submitted,

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