

Submitter: Joshua Hoch

On Behalf Of:

Committee: Joint Interim Committee On Transportation
Funding

Measure, Appointment or
Topic: LC 2

Testimony in Opposition to Governor Kotek's Transportation Tax Proposal

Submitted to the Oregon State Legislature

August 25, 2025

Dear Honorable Members of the Oregon State Legislature,

I strongly oppose Governor Kotek's proposed transportation funding plan, which would impose a \$5.7 billion tax burden over the next decade through a 6-cent-per-gallon gas tax increase, \$42 vehicle registration fee hikes, \$139 title fee increases, a \$30 electric vehicle surcharge, and a doubled payroll tax (from 0.1% to 0.2%). This regressive plan disproportionately harms Oregon's most vulnerable residents—low-income families, seniors on fixed incomes, and rural communities—while burdening businesses and worsening the impact of inflation.

These taxes hit hardest those least able to pay. For low-wage workers and rural Oregonians, higher fuel and vehicle fees mean choosing between groceries, rent, or keeping a car legal. Rural residents, with no transit alternatives, face steeper costs for necessities. Doubling the payroll tax cuts take-home pay, further straining families already squeezed by inflation, which has driven up costs for essentials like food and housing.

Small businesses, vital to Oregon's economy, also suffer. Higher fuel and vehicle fees raise operating costs for delivery services, tradespeople, and retailers, who may pass costs to consumers or cut jobs to survive. The doubled payroll tax increases labor costs, threatening hiring and growth, especially for small firms with tight margins. Amid persistent inflation, these taxes amplify economic pressure on businesses and consumers alike, risking higher prices and reduced economic activity.

Oregon's \$140 billion budget allows for smarter transportation funding without new taxes. I urge you to reject this regressive proposal and protect vulnerable families and businesses from added burdens during inflationary times. Thank you for your service and consideration.

Sincerely,
Joshua Hoch