

Submitter: Zachary Croy
On Behalf Of:
Committee: Joint Interim Committee On Transportation
Funding
Measure, Appointment or LC 2
Topic:

Dear Governor Kotek,

I am writing as a concerned Oregon resident to respectfully oppose HB 2025 and its sweeping proposed tax increases. While I understand the importance of investing in Oregon's future, this legislation would place an excessive and unsustainable burden on hardworking families and businesses across our state.

Oregonians already face one of the highest cumulative tax burdens in state history. Since 2019, the effective state and local tax rate has grown from 4.2% to 5.4% of private-sector gross state product. Households have seen repeated new taxes and fees in recent years, including the corporate activity tax and rising local levies. HB 2025 would add significantly to this, raising more than \$1 billion annually and upwards of \$14–15 billion over the next decade.

The bill includes:

- A \$0.15 fuel tax increase (~37.5%), indexed annually thereafter.
- A tripling of the transit payroll tax from 0.1% to 0.3%.
- A 163% increase in vehicle registration fees.
- A new sales tax on vehicles, plus added road taxes for EVs and delivery fleets, alongside higher DMV and transit fees.

These hikes come at a time when many Oregonians can least afford them. The average annual wage in Oregon is approximately \$60,000–68,800, while the median income is closer to \$53,400. Average weekly earnings stand at just \$1,217—meaning most families are already stretched thin once housing, childcare, and groceries are factored in. Recent minimum wage adjustments added only about \$420 per year for many workers, an amount that would be erased many times over by HB 2025's proposed taxes.

These are not abstract numbers—they represent real pressure on household budgets. Families in hospitality, retail, and service industries, where weekly pay often falls below \$600, will feel the effects most sharply. In practical terms, the bill shifts resources directly out of paychecks and into mandatory costs like transportation and commuting, leaving less for groceries, rent, and saving for the future.

I urge your administration to consider alternative approaches. Oregon can fund infrastructure responsibly without disproportionately burdening working families.

Phasing in smaller changes, leveraging federal infrastructure dollars, or seeking innovative public–private partnerships could protect vital programs while sparing households from significant financial strain.

Governor Kotek, I appreciate your commitment to strengthening Oregon. But HB 2025 in its current form risks doing more harm than good. Please stand with the everyday Oregonians whose paychecks fuel our economy and whose families make this state thrive.

Respectfully,
Zachary Croy