Testimony Opposing New Fuel and Payroll Taxes

Chair and Members of the Committee:

My name is Ms. Goodheart, an Oregonian and a Jill of trades and. I'm writing to oppose proposed increases in fuel taxes and payroll-based taxes that would further burden working families, fixed-income Oregonians, and small employers.

1) Gas tax hikes will raise everyday costs without addressing accountability problems

- The latest transportation package would raise Oregon's state gas tax from 40¢ to 46¢/gallon starting in January, along with higher title and registration fees. Legislative staff estimated an earlier draft would raise roughly $5.7 billion over a decade; the updated draft still raises billions.
- In June, a prior version (HB 2025) contemplated a 12-cent per-gallon increase and other revenue measures; though scaled back, the core idea remains to raise taxes substantially.
- For a typical driver using ~600 gallons a year, 6¢/gal adds about $36/year; 12¢/gal would be $72/year—before fees. That hits rural and lower-income Oregonians hardest, who often drive longer distances and own older vehicles.

Accountability matters first. Even supporters acknowledge ODOT faces budget stress and project-cost overruns; the current proposal itself adds auditing and oversight in response to "huge cost increases" on major projects. Please prioritize efficiency and transparent management before raising taxes.

2) Doubling or tripling the Statewide Transit payroll tax comes straight out of paychecks

- Oregon's Statewide Transit Tax is currently 0.1% of wages (created in HB 2017). Proposals this year sought to increase it—with versions ranging from doubling to tripling (to 0.2%–0.3%). That's $200–$300/year on a $100,000 wage earner, up from $100 today.
- This increase would be in addition to the statewide Paid Leave Oregon payroll contribution of 1.0% of wages (employees pay 0.6%, large employers 0.4%) up to the annual wage cap—already in effect in 2024–2025. Layering new payroll costs during a high-cost-of-living period harms take-home pay and hiring.

3) Oregonians have been voting with their feet—especially in Multnomah County

- Multnomah County lost about 3% of its population (≈27,000 people) from 2020–2023, coinciding with higher costs and taxes; only recently has growth slightly resumed. Continued tax increases risk prolonging that out-migration.
- At the state level, the U.S. Census shows Oregon's population near 4.27 million in 2024 (up modestly from 2023), but growth is slow and fragile; meanwhile IRS migration data show Oregon had net out-migration in 2021–2022 (-6,896). Policy should encourage retention, not add burdens that push families and employers out.

4) A better path forward

- Stabilize ODOT by tightening project management, phasing megaprojects responsibly, and implementing the proposed audits and cost controls before asking households to pay more.
- Protect take-home pay by rejecting increases to the Statewide Transit payroll tax and avoiding new across-the-board fuel tax hikes.
- Target efficiencies first and leverage federal funds and public-private tools where appropriate, instead of defaulting to higher taxes on essential travel and wages.

Furthermore~ I would like to express my deep concern about the ethical and financial conduct of Governor Tina Kotek's administration, particularly regarding verified misuse of taxpayer funds, and how such behavior further undermines the trust and financial health of our state.

1. Verified Misuse of Taxpayer Funds

State auditors from the Secretary of State's office have officially flagged multiple instances of spending by the governor's office that appear to violate state policy and ethics laws—described as "minor" and "unintentional" yet nonetheless concerning. These findings were formally referred to the Oregon Government Ethics Commission.

a) Parking Expenses

- The state paid $65 per month for parking for First Lady Aimee Kotek Wilson in Salem, and $315 per month for Governor Kotek's federal affairs director, Annie McColaugh, in Washington, D.C. These reimbursements are not explicitly authorized under state policy and appear to confer a financial benefit improperly upon public officials.

b) Concert Tickets and Entertainment

- Auditors flagged $615 in state-paid entertainment expenses:
  - Two $60 tickets to a Queen tribute concert in Portland.
  - Five tickets ($320 total) to the Portland Gay Men's Chorus.
  - Two $55 tickets to an orchestral performance at Salem's Elsinore Theatre.
  - Three $21 tickets to a silent film concert at Salem's Temple Beth Sholom.
- Auditors noted that in at least two events, there was no record indicating an official duty was performed by those attending.

c) Employee Recognition Dinner

- In August 2023, Kotek's office hosted a catered buffet-style dinner at Mahonia Hall, costing $9,330 (about $52 per person, for ~180 attendees). This dinner appears to exceed the Oregon Accounting Manual's definition of permissible "refreshments" (which is limited to items like coffee, juice, and snacks) allowed at employee recognition events.

2.

Ethics Commission Response

The Oregon Government Ethics Commission has agreed to investigate these expenditures further—either via an advisory communication, further inquiry, or potential penalties. This step reflects the importance of accountability even when violations are deemed “minor.”

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3. Why This Matters to Oregonians

- Trust and Integrity: In a time when many residents face economic hardship, seeing taxpayer dollars used for questionable expenses erodes faith in state leadership.
- Burden on Vulnerable Populations: As someone on disability, I rely on efficient, ethical use of public funds to support essential services—including transportation, healthcare, and housing.
- Fairness in Taxation: While hardworking Oregonians see payroll and gas taxes increase, misuse of funds for non-essential spending sends a damaging message that priorities are out of whack.

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4. What the Legislature Should Do

- Demand full transparency: Require the governor’s office to publicly release detailed spending justifications for any expenses flagged by auditors.
- Enforce stricter ethics controls: Close loopholes around parking reimbursements, entertainment, and event spending to prevent misuse in the future.
- Prioritize taxpayer welfare: Before proposing tax increases—whether on payroll, fuel, or other sources—ensure the state is managing existing funds honorably and efficiently.

In Conclusion

As an Oregonian on disability, I’m deeply concerned by these documented ethical lapses within the governor’s office—expenses that fall outside established laws and policies. These actions further strain the relationship between the government and the people it serves. I urge this Legislature to act decisively to restore integrity, safeguard resources, and ensure that the government truly reflects the needs and values of Oregonians.Respectfully submitted,Oregonians are generous, but many are at a breaking point. Raising fuel and payroll taxes now will increase the cost of commuting, groceries, and services, and will erode household budgets and small-business margins. Please put the welfare of the people first by prioritizing accountability and affordability over new taxes.

Respectfully submitted,

Ms. Goodheart

Resident of Oregon

Also, Founder and Chief Petitioner of “Let Us Paddle” PAC ID# 24427

P.S. I will form a Coalition if necessary to STOP what our government is doing.