

Public Testimony – Opposition to Proposed Transportation Tax Increase

Submitted to the Joint Interim Committee on Transportation Funding

Scheduled for August 25, 2025

To the members of the committee:

Thank you for the opportunity to submit testimony regarding the proposed transportation funding framework under consideration in the upcoming special session.

As a native Oregonian, I oppose the proposed tax increase because it disproportionately impacts the very people Oregon's leadership claims to protect. Low-income families, rural residents, and fixed-income seniors, who already bear the brunt of inflation and rising living costs will be hit hardest by any increase in fuel taxes, vehicle fees, or payroll-based transit assessments. For nearly all Oregonians outside urban centers, public transportation is not available at all. These residents are not driving by choice. They are driving out of necessity. A fuel or vehicle-based tax will punish them simply for living in a place that is not a population center.

Oregonians are already paying a heavy price at the pump. As of January 1, 2024, Oregon's gas tax is 40 cents per gallon. That is before the additional 18.4 cents per gallon in federal tax, and more in some local jurisdictions. Under current proposals, that tax will rise to 46 cents per gallon by 2026. When combined with an average statewide fuel price of \$3.99 per gallon, these taxes disproportionately burden those who must drive long distances to work, to school, or to medical care.

Oregon ranks among the states with the highest average gas prices in the country. Only California, Hawaii, and Washington are higher. This is not just a reflection of market forces. It is the direct result of layered taxes, regulatory burdens, and policy choices made at the state level. Increasing fuel-related taxes in a state that already ranks near the top nationally is not just fiscally irresponsible. It is tone-deaf to the economic pressure working Oregonians are facing.

Worse still, the proposed transportation package includes additional increases. These include a \$42 hike in vehicle registration fees, a \$139 increase in titling fees, and a doubling of the payroll tax that working Oregonians pay to support public transit. These policies are being advanced under the banner of sustainability and equity, yet they extract the greatest cost from those with the fewest alternatives, especially in rural communities. These new taxes will not be felt by those living in dense, transit-rich neighborhoods. They will be felt by log truck drivers in La Grande, nurses in Coos Bay, schoolteachers in Ontario, ranchers in Burns, farmers in Wasco, and first responders in Medford.

We are told this tax is needed because Oregon's transportation system is underfunded. But the root of the problem is not revenue. It is mismanagement. The Oregon Department of Transportation recently admitted to a \$1 billion budgeting error and currently faces a \$354 million shortfall. Public salary data shows many high-ranking ODOT executives earn between \$120,000 and \$140,000 annually. While these salaries may not be excessive in isolation, they raise concerns when viewed in context of large-scale project overruns and persistent budget failures. Several major infrastructure projects, including the I-5 Rose Quarter expansion and the Columbia River Crossing, have ballooned to nearly \$2 billion each, far beyond their original estimates.

This funding crisis is not a result of taxpayers paying too little. It is a result of the state spending unwisely. Raising taxes without first addressing known waste and inefficiency sends the wrong message to the public. Oregonians should not be asked to pay more until fiscal oversight, accountability, and spending discipline are clearly demonstrated.

Many have raised Portland's Bull Run Water Filtration Project as an example of how unchecked spending can spiral. While this project is not funded by state taxes, its price tag has exploded from \$500 million to over \$2 billion. This places an enormous burden on local ratepayers. It serves as a broader warning. When oversight and public scrutiny lapse, costs soar and trust erodes.

Governor Kotek and members of this committee, I must be direct. The policies advanced by your administration and party have created the very conditions now used to justify another round of taxation. High-net-worth individuals are leaving Multnomah County. Small business owners across the state, especially outside the metro core, are closing their doors under the weight of rising costs, declining services, and hostile regulatory conditions. These are not abstract economic signals. These are real people, real families, and real employers giving up on Oregon. And now, instead of correcting the course, you are proposing to burden the very residents and communities who have stayed.

This testimony is not about ideology or partisanship. It is about policy and its consequences. Many of the decisions made in recent years, though perhaps well intentioned, have accelerated the erosion of financial stability, trust in government, and basic functionality for everyday Oregonians.

Oregon is not defined solely by Portland or the Willamette Valley. It is a diverse state of small towns, rural communities, and working families. Many of whom are already doing more with less. Legislation must reflect the realities they face, not just the conveniences of urban political centers.

I urge this committee to reject any proposal that places new burdens on working Oregonians while failing to correct the systemic problems that caused the funding shortfall in the first place. Accountability must come before taxation.

Thank you for your consideration.

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A handwritten signature in black ink, appearing to read 'Jared Corrigall', with a stylized flourish at the end.