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August 25, 2025

To: The Joint Interim Committee on Transportation Funding
From: Anthony K. Smith, National Federation of Independent Business
Re: NFIB Written Testimony in Opposition to LC2

Co-Chairs Wagner & Fahey, Vice-Chairs Bonham & Drazan, and Members of the Committee:

On behalf of Oregon's small business members of the National Federation of Independent Business, I would like to express NFIB's opposition to LC2, which is estimated to raise an additional **\$5.8 billion in taxes and fees over the next 10 years** to pay for transportation infrastructure in Oregon.

NFIB is the Voice of Small Business. We are a nonprofit, nonpartisan, member-driven organization that advocates on behalf of America's small and independent business owners – both in Washington, D.C. and in all 50 state capitals. NFIB represents thousands of small businesses across the state in every industry sector, many being the smallest of small businesses, with about 90% of our members in Oregon having fewer than 25 employees and 70% having fewer than 10 employees. Together, our members provide jobs for tens of thousands of Oregonians.

As we frequently do, NFIB surveyed our Oregon membership to determine whether they would support a 2025 transportation package. We specifically asked whether Oregon should "adopt new taxes & fees and increase existing taxes & fees to fund transportation infrastructure." The response was clear, with over 90% of respondents opposed.

NFIB's survey results here in Oregon corroborate NFIB's most recent national [Small Business Problems and Priorities](#) report, which comes out once every four years and was last published in August 2024. Out of 75 small business issues, the "Cost of Natural Gas, Propane, Gasoline, Diesel, Fuel Oil" was the 6th most severe problem cited by small business owners, moving up from its 19th place ranking in 2020. Nearly a quarter (24%) reported it as a critical concern. Conversely, "Traffic, Highways, Roads, Bridges" was ranked 48th in 2024, moving little from its 47th ranking four years prior.

For small businesses, the cost pressures of transportation fuel far outweigh challenges relating to transportation infrastructure. The 6-cent per gallon gas tax increase proposed by LC2 would add to that pressure significantly. The various other taxes and fees proposed by the bill, including the proposed doubling of the current statewide payroll tax, would also impose negative financial consequences for small business budgets.

There is broad agreement across the political spectrum that transportation is a legitimate purpose for spending taxpayer dollars, but the Oregon Department of Transportation (ODOT) has been plagued by financial mismanagement and has repeatedly failed to deliver on promises the legislature made to Oregonians in 2017. ODOT should be held accountable and earn back the trust of Oregonians *before* being entrusted with new revenue, especially when transportation-related cost pressures are an increasing challenge for small businesses.

While the state may have a desire to generate more revenue to pay for new and existing projects, programs, and services, the passage of LC2 would shift the burden of distinguishing between needs and wants from state policymakers to Oregon families – and small businesses that use vehicles as an essential part of their business operations.

As Oregon businesses face rising costs, economic uncertainty, and ongoing labor market challenges, we ask legislators to oppose policies that could further negatively impact Oregon's small businesses.

NFIB respectfully asks you to oppose LC2.

Thank you for your time and consideration,



Anthony K. Smith
NFIB Oregon State Director