To: Members of the Oregon Legislature

Re: Testimony Opposing Proposed Transportation Tax and Fee Hikes (HB 2025 / Related Special Session Legislation)

Dear Legislators,

I respectfully submit this testimony on behalf of Oregon's senior residents, many of whom survive on fixed incomes and are already stretched thin by rising transportation and living costs. The current legislative proposal—raising gas taxes, vehicle registration/title fees, payroll taxes, and road-usage charges for electric vehicles (EVs)—places an intolerable burden on our elders and undermines critical environmental progress.

1. Affordability for Seniors Is Already Strained

- Oregon seniors face escalating expenses: insurance premiums, vehicle maintenance, fluctuating fuel prices, and growing health care costs. A hike in the **gas tax** from \$0.40 to \$0.46 per gallon (effective January 1, 2026) and significant increases in **registration** and **title** fees (e.g., passenger vehicle registration up from \$43 to \$85; title fees rising from \$77 to \$216) will heavily impact low-income seniors who count every dollar (<u>GovDelivery</u>, <u>GovDelivery</u>, <u>Oregon Capital Chronicle</u>).
- The **payroll tax** that funds public transit doubling from 0.1 % to 0.2 % means further reduction in disposable income—despite many seniors already being on fixed pensions or Social Security (<u>Oregon Capital Chronicle</u>, <u>opb</u>).

2. Penalizing EVs—A Step Back for Sustainability

- The proposal's **EV surcharges**—charging EV owners an annual additional fee (e.g., \$30–\$340 depending on model and program) or a per-mile road-usage charge—discourages adoption of cleaner vehicles precisely when Oregon needs to accelerate its shift away from fossil fuels (<u>The Sun</u>).
- This creates a paradox: EVs, which already deliver environmental benefits, are being penalized—especially burdensome for seniors who may have invested in EVs to reduce future fuel costs and environmental impact.

3. The Proposal Exacerbates Financial Hardship

- For many seniors, these new costs will mean choosing between essentials—food, medication—or maintaining a reliable vehicle. Fixed-income households cannot absorb burdens that fluctuate and rise unpredictably.
- The intent to fund road and transit needs is understandable, but the method risks pushing already vulnerable individuals into debt or forced trade-offs.

4. Alternative Approaches Should Be Explored

I urge lawmakers to:

- **Prioritize spending reforms** within existing transportation budgets or revenue sources, ensuring funds are used efficiently before imposing steep new taxes on seniors (or taxpayers in general).
- **Phase in changes** gradually with exemptions or reduced rates for low-income seniors; or institute rebate programs that offset new fees.
- **Support transportation alternatives** such as community shuttles, ride-sharing vouchers, or reduced public transit fares for seniors, rather than relying on regressive tax hikes.

In Summary:

This proposal; while intended to address transportation funding; is **not affordable** for Oregon seniors. It **threatens EV adoption**, punishes one of our best tools in combatting climate change, and amplifies financial hardship during an already challenging economic period. The legislature must tread with compassion and equity, especially for those on fixed incomes.

Thank you for considering this perspective. I implore you to revise this proposal to protect our seniors, support environmental goals, and ensure just, sustainable transportation funding.

Respectfully submitted,

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