



January 28, 2025

TO: Members of the House Committee on Revenue

FR: Derek Sangston, Oregon Business & Industry

RE: Support for HB 2119

Chair Nathanson, Vice-chair Reschke, Vice-chair Walters, members of the House Committee on Revenue. For the record, I am Derek Sangston, policy director and counsel for Oregon Business & Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to comment in support of HB 2119. HB 2119 is a simple bill that would allow trade associations to assert standing in the Oregon Tax Court for their members and receive a declaratory judgement on the applicability or constitutionality of Oregon tax policy. According to the bill, the association would need to establish its members would be harmed by a specific Oregon tax provision, the interests the association seeks to protect are consistent with the purpose of that association, and the nature of the dispute and relief sought does not require direct participation of the individual members of the association.

In practice, HB 2119 would allow a trade association, like OBI, to make a constitutional or statutory challenge to tax provisions that have impacts on its members. While current law allows individual businesses or taxpayers to assert such challenges on their own behalf, that process is long and burdensome. It requires the taxpayer to pay a tax with which it disagrees and wait for the answer, sometimes over the course of several years. In the meantime, bureaucracies are established and taxpayers are left without certainty. HB 2119 works to avoid that outcome.

By allowing associations to instead challenge tax policies on behalf of their members, HB 2119 would streamline the litigation process for both taxpayers and the state. Helping each side get important answers to Oregon's tax policy quicker than current law allows and reducing uncertainty for Oregon businesses and taxpayers.

I urge this committee to support HB 2119.

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