



Salem Chamber

Convener | Catalyst | Champion

March 4, 2025

Senator Chris Gorsek, Co-Chair
Representative Susan McLain, Co-Chair
Joint Committee on Transportation
Oregon State Legislature
900 Court St. NE
Salem, OR 97301

RE: Salem Chamber Written Testimony in Opposition of HB 3362

Dear Chair Gorsek, Chair McLain, Vice-Chair Starr, Vice-Chair Boshart Davis, and Members of the Joint Committee on Transportation,

Our organization represents over one thousand (1,000+) local businesses and forty-five thousand (45,000) employees in the Salem area. The breadth and diversity of industries represented by our membership demonstrate an intersection of the small businesses that collectively create our state economy. The Salem Chamber supports a healthy business climate, including rail transit and a healthy environment, which combined contribute to the success of our state government and economy.

HB 3362 seeks to enact a 4% tax on the retail sales price that may be rounded up to the nearest whole cent. The unintended consequences will likely result in increased danger on our roads and diminished employment opportunities.

By placing a 4% tax on tire sales, this will incentivize consumers to wait longer in between tire purchases placing other motorists and pedestrians in jeopardy and burdens Oregon's most vulnerable, our low-income citizens and seniors on a fixed budget. Well maintained tires are an essential safety component for vehicle maintenance. Any additional cost-prohibitive measure would result in costly delays in tire replacement, creating more negligence on our roads and highways. Our weather requires regular tire replacement and maintenance to ensure safe travel.

This will also result in diminished employment opportunities. When taxes and fees are increased, business expansion, hiring, and capital investment are decreased. Small business owners who already operate on razor-thin margins closely watch their costs to create jobs and provide their services and products. Our construction, agriculture, contractors, trades, couriers, and car service industries will either adjust to this tax by increasing their price to consumers or by reducing employment opportunities. Tires are already subject to the federal excise tax, placing more taxes on small businesses will reduce state revenue as businesses retract expansion plans and freeze job growth.

We urge alternate funding sources for rail transit, pollution, and wildlife passage infrastructure. Oregon small businesses are tired of treading on thin profit margins made more challenging by the rough terrain of new taxes and fees.

Respectfully,

Tom Hoffert, CEO Salem Area Chamber of Commerce

**Salem Area Chamber
of Commerce**

President

Mike Herron • President
VIP's Industries Inc.

Executive Committee

Brandon Blair • Secretary
Summit Wealth Management

Ryan Dempster • Treasurer
Willamette Valley Bank

Rich Duncan • VP of Advocacy
Rich Duncan Construction

Ted Ferry • President-Elect
State Farm Insurance

Katya Mendez • VP of Events & Programming
Northwestern Mutual

Alan Rasmussen • Past President
LHE Investments

Angela Williams • VP of Membership
Huggins Insurance Services Inc.

Board of Directors

Jonathan Castro Monroy
Castro Monroy Group

Tammy Dennee
Oregon Cattlemen's Association

Jeff Dunn
Lineage Logistics

Lucy Escobar
Lucy Escobar Coaching & Consulting

Juli Foscoli
South Town Glass

Roger Hoy
Geppetto's Italian Restaurant

Jennifer Martin
First Commercial Real Estate

Dan McDowell
Pioneer Trust Bank

Diane McLaran
McLaran Enterprises Inc

Tyson Pruett
Anthem Strategists

Bill Riecke
Bark Boys Inc.

Quandray Robertson
Q's Corner Barber Shop

Randy Sutton
Saalfeld Griggs PC

Eric Templeton
AmeriTitle

Jim Vu
Core Solutions Consulting

Christy Witzke
SAIF

Chief Executive Officer

Tom Hoffert
Salem Area Chamber of Commerce