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On Behalf Of:
Committee: Joint Special Session Committee On Transportation
Funding
Measure, Appointment or Topic: HB3992

No More New Taxes for Oregonians

Oregonians are already overburdened by taxes and rising costs, struggling to afford daily necessities like housing, groceries, and transportation. House Bill 3992's proposed 4% excise tax on retail tire sales (Section 2) adds yet another financial strain, particularly for low-income households who rely on vehicles for essential travel. A set of four tires costing \$500 would incur an additional \$20 tax, pushing families further into financial hardship. Tires are not a luxury but a necessity, and this tax unfairly penalizes those least able to afford it.

Small businesses, especially tire retailers, face undue pressure from this tax. The requirements to collect and remit the tax, file quarterly returns (Section 6), and maintain records for five years (Section 9) impose significant administrative costs. These burdens could force small retailers to raise prices or close, harming local economies and reducing consumer choice, particularly in rural areas with limited access to tire services.

Lack of Clarity and Accountability

HB 3992 establishes the Tire Pollution and Rail Transit Fund and the Wildlife-Vehicle Collision Reduction Fund (Sections 14 and 16) but lacks clear guidelines on how funds will be spent. The flexibility to reduce tire pollution mitigation funding below one-third (Section 14(4)(b)) risks underfunding the very issue the tax claims to address. Without specific plans for rail projects, pollution prevention, or wildlife crossings, and no measurable outcomes, there's no guarantee the tax will deliver meaningful results, further eroding trust in government spending.

Excessive Administrative Burden

The bill's enforcement measures, including subpoena authority (Section 10) and joint liability for corporate officers (Section 7), create a punitive framework. Small businesses could face severe penalties for unintentional non-compliance, while record-keeping and distraint warrants (Section 7(2)) add unnecessary complexity. These provisions discourage entrepreneurship at a time when Oregonians can ill afford additional economic barriers.

Alternative Solutions Without New Taxes

Rather than burdening Oregonians with another tax, the Legislative Assembly should reallocate existing transportation budgets, pursue federal grants, or encourage public-private partnerships to fund rail transit, tire pollution prevention, and wildlife safety. Tax credits for eco-friendly tire technologies could achieve environmental goals without punishing consumers and businesses already struggling to make ends meet.

House Bill 3992's new tax is an unacceptable burden on Oregonians who can no

longer afford their daily lives. Its vague implementation and heavy-handed enforcement outweigh any potential benefits. I urge the Legislative Assembly to reject HB 3992 and prioritize solutions that support sustainability without further taxing our communities.