



February 2, 2026

TO: Members of the House Committee on Revenue

FR: Derek Sanston, Oregon Business & Industry

RE: Opposition to HB 4125

Chair Nathanson, Vice-Chairs Reschke and 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. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,500 member companies, more than 75% 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 testify in opposition to HB 4125. OBI opposes HB 4125 because, by requiring the Office of Economic Analysis (OEA) to use the most conservative estimates when forming its quarterly forecast and then requiring it to use the greatest positive deviation between forecasted and actual revenues over the previous five biennia when setting the estimate for the revenues the state received during a given biennium, the bill would decrease the likelihood Oregonians would receive Kicker payments in the future.

The Kicker, especially the personal Kicker, which is given directly to Oregon individual taxpayers, has long served as an effective check on the growth of the size and cost of government. Even with it working to keep unneeded expansions of the Oregon's government in check, the state General Fund has grown 77% from the 2015-17 biennium to the 2023-25 biennium according to data provided by the Legislative Fiscal Office (LFO). During that same period, the state's population has stagnated and Oregonians are becoming increasingly dissatisfied with the state's bloated government. By removing a key check on the growth of Oregon's General Fund spending and by containing insufficient safeguards on how the revenue it removes from the Kicker calculation would be spent, HB 4125 would only exacerbate the structural budget problems that have led to the state's unsustainable growth.

In addition to helping to limit unnecessary expansions to Oregon's government, the Kicker also provides individual taxpayers with an effective offset to the state's high tax rates and complex tax system. While Oregon has long taxed the income earned by individuals and businesses at rates that are among the highest in the United States, state and local governments also contribute to this burden by imposing several taxes on both gross receipts and income. Consequently, taxpayers in the Portland area pay effectively the highest personal income tax rates in the country and Oregon's general tax competitive ranks 35th according to the Tax Foundation.

OBI has been heartened to hear many elected officials, including the Governor and legislative leadership, want to make Oregon a more prosperous state and grow its economic output. By removing a critical check on the growth of the size of Oregon's government and an important tool for getting more money in the hands of Oregon taxpayers, HB 4125 is inconsistent with that sentiment. Accordingly, I ask this committee to oppose HB 4125. Thank you for your consideration.

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