

Submitter: Tara McLaughlin  
On Behalf Of:  
Committee: Senate Committee On Finance and Revenue  
Measure, Appointment or Topic: SB1507

Submitted by: Tara McLaughlin, Small Business Owner & Employer, Portland-Metro Area

To: Members of the Oregon Legislature

Subject: Opposition to Proposed Retail Sales Tax & Impact on Oregon's Beauty and Personal-Care Industry

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Chair, Vice-Chair, and Members of the Committee,

Thank you for the opportunity to provide testimony today. My name is Tara McLaughlin, and I am a 20+ year beauty-industry professional and the owner of a salon in the Portland-metro area. I am here today to strongly oppose the imposition of a retail sales tax in Oregon.

Oregon's beauty and personal-care industry is one of the state's largest small-business sectors—yet it is also one of the most vulnerable. Salons, barbershops, nail studios, esthetician practices, massage therapy businesses, and tattoo studios are overwhelmingly women-owned, self-employed, and service-based. A retail sales tax would disproportionately and directly harm this industry.

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## THE BEAUTY & PERSONAL-CARE INDUSTRY IN OREGON: REAL NUMBERS

Based on the most recent data available from state licensing and business records:

- Hair Salons / Barbershops: ~4,000+ businesses
- Nail Salons: ~1,500+
- Esthetics / Skin Care Practices: ~1,200+
- Massage Therapy Businesses: ~2,200+
- Tattoo Studios: ~1,000+

And across Oregon, the number of licensed professionals is even more significant:

- Hairstylists / Barbers: ~25,000+
- Nail Technicians: ~6,000+
- Estheticians: ~5,000+
- Massage Therapists: ~8,000+
- Tattoo Artists: ~3,500+

These are overwhelmingly solo operators, booth renters, and micro-businesses—the very businesses least equipped to absorb yet another tax.

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## OREGON SMALL BUSINESSES ARE AT A BREAKING POINT

In the beauty industry, margins are thin. We already pay:

- Oregon Payroll Tax
- TriMet / Transit Tax
- Paid Leave Oregon
- Workers' Compensation
- Corporate Activity Tax (CAT)
- Constant increases in minimum wage
- Rising product costs
- Rising salon lease and insurance costs

Every year, compliance and operating expenses grow—yet our service prices cannot endlessly climb without losing clients. Our industry has no “cushion.”

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## HOW A RETAIL SALES TAX WOULD HURT OREGON'S BEAUTY INDUSTRY

### 1. Increased cost of services, driving clients away

A sales tax added to beauty services would immediately increase the client's cost at checkout. Many Oregonians are already struggling with inflation, rising rent, and basic household expenses. Adding tax to every haircut, color, nail service, lash appointment, facial, or massage will push clients to:

- Book less frequently
- Stretch appointments
- Reduce gratuities
- Seek cheaper, unlicensed, or underground services

This is dangerous for client safety and devastating for licensed professionals who rely on consistent bookings.

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### 2. Increased operational and compliance costs

Unlike large retail corporations, beauty businesses do not have built-in tax

compliance systems. Implementing sales-tax tracking, reporting, software, and administrative oversight comes directly out of the pockets of small business owners and solo entrepreneurs.

For thousands of independent stylists, estheticians, massage therapists, and tattoo artists, this cost is simply not feasible.

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### 3. The beauty industry is primarily WOMEN-OWNED

Nationally, 85%+ of beauty-industry businesses are owned by women. In Oregon, the number is even higher due to our high percentage of independent practitioners.

A retail sales tax is a direct blow to women-owned businesses, mothers, single parents, and service professionals who rely on this industry to support their families.

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### 4. This sector has never recovered from COVID disruptions

While other industries have rebounded, service providers have:

- Higher no-show rates
- Increased product and supply costs
- Lower booking frequency
- Higher labor and regulatory requirements

A retail sales tax is not just “another tax”—it is the breaking point for many.

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OREGON DOES NOT NEED ANOTHER TAX. IT NEEDS ST