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February 4, 2026

To: The Senate Committee on Finance and Revenue  
From: Anthony K. Smith, National Federation of Independent Business  
Re: NFIB Written Testimony in Opposition to SB 1507-4

**Chair Broadman, Vice-chair McLane, and members of the Committee:**

On behalf of Oregon's small business members of the National Federation of Independent Business, I would like to express our opposition to SB 1507-4, which disconnect Oregon from several provisions of the 2025 Federal Tax Bill.

NFIB is the Voice of Small Business. We are a nonprofit, nonpartisan, member-driven organization that advocates on behalf of America's small and independent business owners – both in Washington, D.C. and in all 50 state capitals. NFIB represents thousands of small businesses across the state in every industry sector, many being the smallest of small businesses, with about 90% of our members in Oregon having fewer than 25 employees and 70% having fewer than 10 employees. Together, our members provide jobs for tens of thousands of Oregonians.

Specifically, I'd like to share our concerns with sections 9 and 11 of the -4 amendments, which disconnect Oregon from the federal tax code with regards to bonus depreciation. 100% bonus depreciation is a mechanism by which a business can purchase a piece of equipment or machinery and deduct the full cost of the purchase in the year it was placed in service rather than spreading that deduction out over the full depreciation schedule, which can be up to 20 years.

100% bonus depreciation provides an incredibly helpful incentive for businesses to invest in state-of-the-art, higher efficiency, equipment and machinery. If they do this, however, it comes with pros and cons. They get a large deduction in the first year, resulting in a lower tax liability, but for up to 20 years, they will pay more taxes than they would, had they not already used the full value of their deduction.

Importantly, it should be noted that the state does not lose revenue in either scenario, just like the taxpayer does not get a tax break in either scenario. It's all a matter of when the taxes are owed. Consequently, if the Legislature chooses to disconnect from bonus depreciation, it will result in a short-term revenue increase at the expense of future state budgets up to 20 years in the future for as long as we remain disconnected.

Regarding the newly proposed tax credit in section 14, it appears the business would have to first apply for the credit with Business Oregon and then hope they get approved before the money runs out. I don't believe small businesses in Oregon are going to make hiring decisions based on a temporary tax credit program that requires them to first jump through hoops and then hope for the best. In most cases, especially for growing and expanding businesses, a permanent bonus depreciation policy would be much more valuable.

Finally, I'd just like to point out that NFIB has spent the last 8 years advocating for a permanent 20% pass-through deduction at the federal level (Sec. 199A), and fortunately, that provision was included in the 2025 Federal Tax Bill and is now a permanent feature of the federal tax code. This was a huge victory for small businesses across the country, but the Oregon Legislature already disconnected from that policy in 2018. NFIB members would much rather be talking about reconnecting to the 20% Small Business Deduction rather than disconnecting, yet again, from a pro-small business tax provision.

For these reasons NFIB respectfully asks you to oppose the -4 amendments to SB 1507.

Thank you for your time and consideration,



Anthony K. Smith  
NFIB Oregon State Director