



February 4, 2026

TO: Members of the House Committee on Revenue

FR: Derek Sangston, Oregon Business & Industry

RE: Opposition to HB 4134 – Increasing the Transient Lodging Tax

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. 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 4134. OBI opposes HB 4134 because the bill would increase Oregon's statewide transient lodging tax from 1.5% to 2.75% and substantially change how a large portion of those revenues are dedicated.

Not only would increasing the statewide transient lodging tax add another obstacle for Oregon's tourism and hospitality industry to navigate, but it also directs new transient lodging tax revenues away from tourism, economic development, and jobs in the state's most rural locations. Raising the tax would harm an industry that has not recovered from the pandemic, labor shortages, and inflation caused by several policies the Legislature has passed over the last decade. It would also make Oregon much less competitive when competing for out-of-state tourists and conventions, as hospitality is a particularly price-sensitive market.

While wildlife conservation is a worthwhile expense the Oregon legislature should fund, OBI strongly opposes dedicating transient lodging tax dollars, which have been instrumental in fostering the state's successful tourism industry and making Oregon a destination for so many tourists, for it. According to data provided by the Legislative Fiscal Office, Oregon General Fund has grown 77% from the 2015-17 biennium to the 2023-25 biennium. That substantial increase is due, at least, in part to substantial increases in businesses taxes. Since 2019, Oregon's effective business tax burden has grown 33 percent. HB 4134 would only further increase taxes paid by both businesses and residents and make Oregon less competitive.

For those reasons, OBI respectfully requests this committee to reject HB 4134. Thank you.

Contact: dereksangston@oregonbusinessindustry.com