

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

I am writing in opposition to SB 1507 as amended, and specifically to urge the committee to remove Amendments 4 and 5.

This bill began as a proposal to modernize Oregon's tax system, but late amendments have shifted it in a direction that will ultimately hurt workers, small businesses, and our state's long-term economic health. Amendments 4 and 5 disconnect Oregon businesses from long-standing federal depreciation provisions that allow the full cost of equipment to be deducted in the year it is purchased. These federal provisions are not loopholes—they are intentional incentives designed to help businesses reinvest quickly, modernize equipment, improve productivity, and create stable jobs. Forcing businesses to depreciate equipment over five years at the state level undermines those goals and makes reinvestment slower and more difficult, particularly for small and mid-sized employers who operate on tight margins. Equally concerning, this disconnect would require businesses to maintain two separate sets of books—one for federal taxes and one for Oregon. That added administrative burden is costly, inefficient, and disproportionately harmful to smaller businesses that lack large accounting departments. More complexity does not make our tax system fairer; it makes it more expensive and less accessible. Oregon's tax competitiveness has already declined significantly, falling from 8th to 35th nationally in just six years. During that same time, we've seen well-known Oregon companies relocate or expand elsewhere, taking good jobs with them. Policies that increase costs and uncertainty for employers only accelerate this trend and weaken our local economies, especially in rural and manufacturing-dependent communities.

If we care about keeping jobs in Oregon, supporting responsible employers, and encouraging investment in modern, efficient, and even cleaner equipment, we should be aligning with federal policy—not creating unnecessary barriers. Amendments 4 and 5 move us in the wrong direction.

I respectfully ask the committee to remove Amendments 4 and 5 from SB 1507 and pursue tax policy that is fair, simple, and supportive of businesses that are investing in Oregon and its workforce.

Thank you for your consideration.